



Waukee Community School District Waukee, Iowa

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
WAUKEE COMMUNITY SCHOOL DISTRICT**

Waukee, Iowa

Fiscal Year Ended June 30, 2012

OFFICIAL ISSUING REPORT

Lora Appenzeller-Miller, Chief Financial Officer

OFFICE ISSUING REPORT

Business Office

Waukee Community School District
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November 26, 2012

We are a District with a dedication to all students and an unwavering commitment to a quality educational program. That commitment, along with a strong sense of community defines the work of the Board of Education for the Waukee Community School District. In a time of ongoing funding restrictions and changing financial models, achieving these goals is a significant challenge.

Our shared vision statement is “Dedicated to optimizing individual learning and potential for success in a global community.” Honoring our vision keeps us focused on moving forward, closing any gap that may exist between our current reality and our vision. The District’s Guiding Principles, Vision and Mission Statement guide the allocation of resources to achieve our goals.

Iowa continues to fall short of fully funding the education formula for K-12 schools. In Waukee, we will continue to allocate available resources to fulfill our mission and our commitment to students.

This report is a comprehensive financial record of the District for the fiscal year ended June 30, 2012. It reflects the conditions that have enabled the Waukee Community School District to maintain a favorable financial picture – even during a period of challenging growth. Among the enabling conditions are:

- We have a highly dedicated and skilled team of teachers, staff, and administrators.
- We have a highly effective Board of Education and a very supportive community.
- We work in an atmosphere where everyone is encouraged to work at their highest level in a collaborative environment.

As you examine this report, you will see a pattern of on-going financial strength that we hope to continue into the future. We welcome your questions and suggestions. We will continue to learn together to build on our success as a learning community for the future.

Respectfully Submitted,



David J. Wilkerson, Ph.D.
Superintendent

November 26, 2012

Members of the Board of Education
Waukee Community School District
Patrons of the Waukee Community School District
Waukee, Iowa

The Comprehensive Annual Financial Report (CAFR) for the Waukee Community School District for the fiscal year ended June 30, 2012 is submitted herewith. Responsibility for accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District Office of Administrative Services. We believe the data is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position of the governmental activities, business type activities, each major fund, the aggregate remaining fund information and the respective changes in financial position and cash flows where applicable; and that all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

The Comprehensive Financial Annual Report is presented in four sections: introductory, financial, statistical and compliance. The introductory section, which is unaudited, includes this transmittal letter, a list of principal District officials, and an organizational chart. The financial section includes the management's discussion and analysis, audited basic financial statements, required supplementary information and the combining and individual fund financial statements and schedules, as well as the independent auditor's report. The statistical section, which is un-audited, includes selected financial and demographic information, generally presented on a multi-year basis. The compliance section contains the schedule of expenditures of federal awards and audit findings. We encourage readers to refer to all four sections of the report, including the Management's Discussion and Analysis in the financial section, which gives a more detailed summary of the District's financial performance.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*.

The report includes all funds and account groups of the Waukee Community School District. The Waukee Community School District has no component units that meet the Governmental Accounting Standards Board criteria. The District provides a full range of services including instructional, administrative, transportation, food service, maintenance of sites and facilities, custodial, clerical, extra and co-curricular and athletic and activities.

This CAFR has been prepared using the guidelines recommended by the Association of School Business Officials International (ASBO) and Government Finance Officers Association of the United States and Canada (GFOA). Certificates of Excellence are awarded to school systems that have presented their CAFR to the GFOA and ASBO Panels of Review for critical review and evaluation. Receiving these awards are recognition that a school system has met the highest standards of excellence in school financial reporting. The standards used in the "Certificate of Excellence Program" and "Certificate of Achievement Program" are based on generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). This is the first time the district is submitting the CAFR to GFOA for the Certificate of Achievement. We will actively pursue these awards through the efforts of the entire Waukee Team. The Waukee Community School District received the ASBO certificate for its comprehensive annual financial report for the fiscal years ending June 30, 2004, 2005 and 2006, 2007, 2008, 2010 and 2011.

BASIS OF ACCOUNTING

The District's accounting records were maintained on a modified accrual basis. These accounting policies are enumerated in the notes to the financial statements. All the District's funds are presented in this report and have been audited by the District's independent certified public accountants, Van Maanen, Sietstra & Meyer, P.C.

The chart of accounts used by the District is in conformance with the Uniform Accounting System for Iowa Schools and Area Education Agencies issued November 1975 and updated in 2009, by the Iowa Department of Education. The chart of accounts manual is updated on an annual basis. The District is in full compliance with these requirements.

ECONOMIC CONDITION AND OUTLOOK

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook is stable. The Waukee Community School District has been and is currently the fastest growing school district in the state of Iowa and the growth projections are expected to continue. Certified enrollment for fiscal 2012-13 was 7,722.2 students. Taxable assessed value continues to grow even during the current economic downturn. The economy in the state has struggled the past year and this recessionary period has resulted in reduced revenue for public education. While the unemployment rate in the greater Des Moines has consistently remained lower than national averages, the economy has been stagnating. Retail sales in the greater Des Moines have leveled but remain strong. The City of West Des Moines continues to grow as does the City of Waukee. District taxable assessed valuations have continued steady growth to almost \$2.3 billion for January 2012 values.

Based on conservative projections, this trend is expected to continue. While having a positive impact, the growth also presents significant challenges for the District. The District utilizes the optional instructional support levy at a level deemed appropriate and will need to continue a high level of efficient use of human resources and facilities.

Retail sales, building permits and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. An article in the September 27, 2007 edition of the Des Moines Register quoted a report from the Bureau of Economic Analysis showing the Des Moines Metropolitan area ranking 24th in the United States in terms of gross domestic product. The report also showed the area as the fastest growing municipal economy in the country increasing 7.2% since 2004. Retail, commercial and residential property values continue to grow. Assessed values of the District are conservatively projected to increase by 5-10% or more in the near term. In the fall of 2004, a new 250-acre retail shopping mall opened within the boundaries of the District and is expected to generate eighty million dollars in revenue annually. Wells Fargo opened its national mortgage headquarters in West Des Moines and currently employs in excess of 1,000. Aviva has located its North American headquarters within the boundaries of our school district with employment projections rivaling Wells Fargo. Areas surrounding the Jordan Creek Town Center continue to grow and add new retail and commercial property. The schools of Dallas County passed a one-cent sales tax on all covered retail sales in the county. All the schools in Dallas County on a per pupil basis will share the revenue from this sales tax. The Waukee Community School District is the largest district in Dallas County with over one-half of the county's students. That percentage of total students in the county will continue to increase on an annual basis with the District receiving a larger percentage of the total sales tax annually. Waukee Community School District will be moving to a statewide pool starting January 2013.

MAJOR INITIATIVES

Current year. Last year, the District implemented a six-year plan for facilities and continues to utilize a three-year plan for finances. The District's rapid growth, limited resources and the need to clearly outline and prioritize site and facility needs in chronological order necessitate the plans. Currently a \$15 million addition to the High School is in progress and will be completed for Fall 2012. That will bring the capacity of that building to 2000 for the 10-12 grades. The District also started construction on Woodland Hills Elementary and is scheduled to open fall of 2013. Planning for the new 8-9 grade building named Timberline is underway and is anticipated to be open fall of 2015.

Future Considerations. The six-year facility plan and accompanying demographic information concluded that student enrollment and tax base would continue to increase at a rapid pace. This study showed the need for additional space at the current high school by the fall of 2019. The District is involved with local developers concerning land purchases for future school sites on an ongoing basis. The District will borrow against future proceeds of the statewide sales, services and use tax for future construction needs.

DEBT ADMINISTRATION

The ratio of net indebtedness to assessed valuation and the amount of indebtedness per capita are useful indicators of the District's debt position. The 2012 fiscal year data shows a total outstanding indebtedness on June 30 of \$143,600,000 with a ratio of debt to 100% taxable, actual, assessed valuation of 5.01%. During FY 2012, \$14,585,000 of outstanding debt was paid and an additional \$44,775,000 of new debt issued. In the near future, as assessed valuation and District population rise and total indebtedness decrease, these economic indicators will reflect a very favorable financial position.

The above indebtedness of \$143,600,000 is a result of general obligation bonds issued June 2004, February 2005, March 2005, July 2006, April 2008, May 2009, July 2009, April 2010, July 2011 and June 2012. Capital loan notes were issued in February 2006 and February 2012. Revenue bonds were issued in June 2012. Two separate refunding issues were completed to reduce outstanding debt during the fiscal year.

FINANCIAL INFORMATION

Management of the District is responsible for establishing and maintaining an internal control designed to ensure that its capital assets are protected from loss, theft or misuse and to ensure that accounting data are compiled to allow for the preparation of the basic financial statements in accordance with accounting principles generally accepted in the United State of America. The internal control is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state and county financial assistance, the District also is responsible for ensuring that an adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and external auditors.

As a part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal awards programs. The results of the District's single audit for the fiscal year ended June 30, 2011, provided no instances of material weaknesses in the internal control or violations of applicable laws and regulations.

Budgetary Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, special revenue funds, Debt Service Fund, enterprise funds and capital projects funds are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects funds and budgeted accordingly on an annual basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by program level for all funds combined rather than at the individual fund level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the fiscal year's end. However, encumbrances generally are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

BASIS OF PRESENTATION

The charts and accounts used by the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records conform to the Uniform Accounting System for Iowa Schools, Chapter 11 of the Code of Iowa and Area Educational Agencies issued by the Department of Education, state of Iowa. The chart of accounts manual is updated annually and the District is in full compliance with these requirements.

OTHER INFORMATION

Independent Audit. The accounting firm of Van Maanen, Sietstra & Meyer, P.C. was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements, combining and individual fund statements and other schedules is included in the financial section of this report.

ACKNOWLEDGEMENT

The preparation of this report on a timely basis could not have been accomplished without the effort of the accounting staff and our auditors, Van Maanen, Sietstra & Meyer, P.C. We would like to express our appreciation to all staff members who assisted and contributed to this report. Also, appreciation is expressed for the interest and support of the Board of Education in conducting the financial operations of the District in a most responsible and progressive manner.

Respectfully submitted,



David J. Wilkerson, Ph.D.
Superintendent



Lora Appenzeller Miller
Chief Financial Officer

**Waukee Community School District
Board of Education and Board Attorney
Year Ended June 30, 2012**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education (Before September 2011 Election)		
Jerry Ripperger	President	2011
Susan Bunz	Vice President	2011
Larry Lyon	Board Member	2011
Dave Duncan	Board Member	2013
Mary Thomas	Board Member	2013
Chuck Van Devander	Board Member	2013
Russ Wiesley	Board Member	2013
Board of Education (After September 2011 Election)		
Jerry Ripperger	President	2015
Susan Bunz	Vice President	2015
Dave Duncan	Board Member	2013
Mary Thomas	Board Member	2013
Chuck Van Devander	Board Member	2013
Russ Wiesley	Board Member	2013
Larry Lyon	Board Member	2015
Board Attorney		
Ahlers & Cooney, P.C.	School Attorney	Indefinite

Waukee Community School District
School District Administration
Year Ended June 30, 2012

<u>Name</u>	<u>Position</u>
Dr. David J. Wilkerson	Superintendent
Cindi McDonald	Assistant Superintendent for School Improvement
Roxanne Cumings	Director of Student Services
Mark Tolland	Director of Technology
Lora Appenzeller-Miller	Chief Financial Officer
Eric Rose	Chief Operations Officer
Keith Elmquist	Director of Operations
Jeannie Allgood	Director of Nutrition Services
Jeff Longman	Director of Community Education
Andrea Wilmes	Director of Child Care Services
Duane Magee	Director of Personnel
Sharon Ingebrand	Director of Professional Development & Consultive Services
Kirk Johnson	High School Principal
Judi Roland	High School Dean of Students
Ronald Book	High School Dean of Students
Theresa Best	High School Dean of Students
Mark Tigges	High School Dean of Students
Juley Murphy-Tiernen	Prairieview Principal
Ed Slauson	Prairieview Dean of Students
Amy Johnson	Middle School Principal
Michelle Lettington	South Middle School Principal
Clay Young	Assistant Principal South Middle School
Adam Shockey	Assistant Middle School Principal
Mark Skahill	Middle School Dean of Students
Nicole Tjaden	Waukee Elementary Principal
Peg Erke	Eason Elementary Principal
Terry Hurlburt	Brookview Elementary Principal
Chris Smith	Walnut Hills Elementary Principal
Doug Barry	Maple Grove Principal
Karen Allison	Shuler Elementary Principal
Scott Shumaker	Assistant Elementary Principal
Katie Ferguson	Assistant Elementary Principal
Lyndsay Marron	Assistant Elementary Principal
Jim Duea	Director of Athletics & Activities
Todd Schneiter	Assistant Director of Athletics

**Waukee Community School District
Consultants, Advisers, and Official Depositories
Year Ended June 30, 2012**

Consultants and Advisors:

Certified Public Accountants:

Van Maanen, Sietstra & Meyer, PC
705 Main St
Pella, IA 50219

Bond Attorney:

Ahlers & Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, Iowa 50309-2231

Financial Consultant

The PFM Group
801 Grand Ave, Ste 3300
Des Moines, Iowa 50309

General Counsel:

Ahlers & Cooney, P.C.
100 Court Avenue, Suite 600
Des Moines, Iowa 50309-2231

Property/Casualty Insurance Agent

Insurance Associates
2501 Westown Parkway, Suite 1104
West Des Moines, Iowa 50266-1438

Benefits Insurance Broker:

Mercer Advantage
1776 West Lakes Parkway - SS2
West Des Moines, Iowa 50266

Official Depositories:

Wells Fargo, Iowa
110 Highway 6
Waukee, Iowa 50263

First American Bank
12333 University Avenue
P.O. Box 71156
Clive, Iowa 50325

Iowa School Joint Investment Trust
P.O. Box 71158
Clive Iowa 50325-0158

IPAS Education
1415 28th St, Suite 200
Century Building
West Des Moines, Iowa 50266-1456

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Waukee Community School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Brian L. Mee'.

Brian L. Mee, SFO, RSBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director



705 Main Street
Pella, IA 50219
641-628-3737

www.vanmaanencpa.com

Van Maanen, Sietstra & Meyer, PC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Education
Waukee Community School District
Waukee, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Waukee Community School District, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Waukee Community School District as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2012 on our consideration of Waukee Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require Management's Discussion and Analysis, Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 13 through 20 and 58 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Waukeee Community School District's basic financial statements. A different accounting firm audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the four years ended June 30, 2006, (which are not presented herein) and expressed unqualified opinions on those financial statements. We audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the five years ended June 30, 2011, (which are not presented herein) and expressed unqualified opinions on those financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Other supplementary information included in Schedules 1 through 9, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, found in the Compliance Section, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Van Maanen, Sietstra & Meyer, PC

Van Maanen, Sietstra & Meyer, PC
Certified Public Accountants

November 26, 2012

**Waukee Community School District
Management's Discussion and Analysis
Year Ended June 30, 2012**

It is with great pleasure we present to you the financial picture of Waukee Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Waukee Community School District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

2012 Financial Highlights

The District showed a government wide increase in net assets of \$10,811,633 during the year ended June 30, 2012.

Governmental activities revenues increased from \$77,474,592 in fiscal year 2011 to \$82,570,776 in 2012. General revenues increased from \$65,920,954 in fiscal year 2011 to \$71,682,622 in 2012 while program revenues decreased from \$11,553,638 in 2011 to \$10,888,154 in 2012. The business type activities revenues increased from \$4,253,755 in fiscal year 2011 to \$4,633,379 in 2012.

As of June 30, 2012, unassigned fund balance for the General Fund was \$10,471,856 or 17.50% of General Fund expenditures. The financial solvency ratio for the year ended June 30, 2012 was 16.76%, which is an increase of .11% over the previous year. This increase due to decreased expenditures in the current year to generate a carryover balance to with stand 0% allowable growth to the current budget and previous fiscal year budget cuts of revenue by the Governor.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Waukee Community School District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

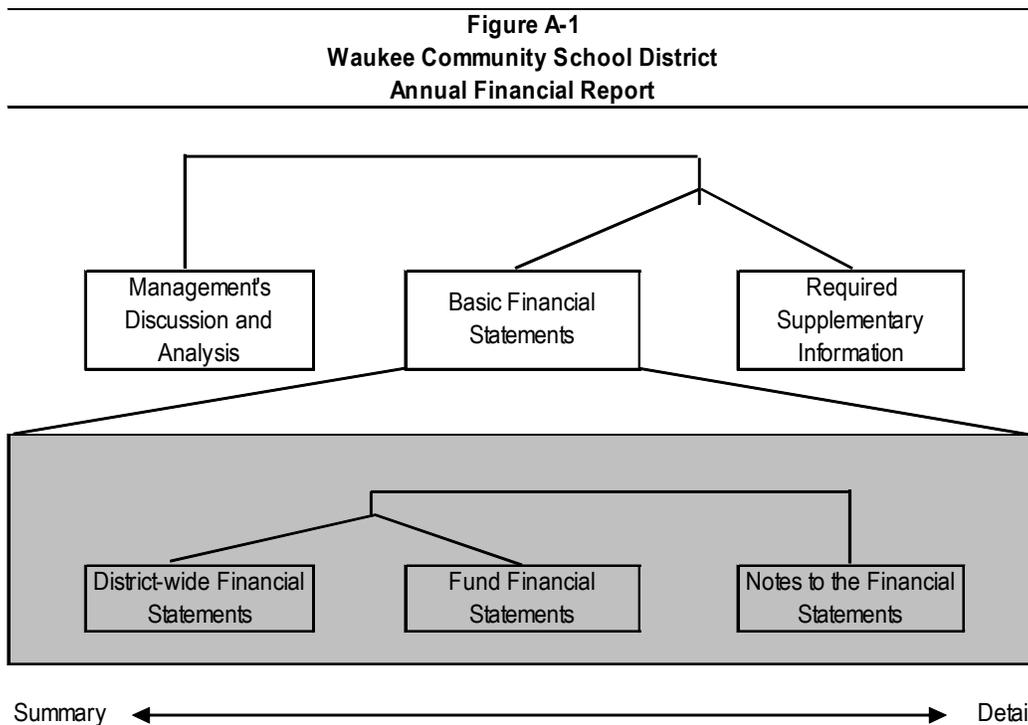


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

**Waukee Community School District
Management's Discussion and Analysis
Year Ended June 30, 2012**

Figure A-2				
Major Features of the Government-Wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services, community day care and community education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs.
Required Financial Statements	* Statement of net assets * Statement of activities	* Balance Sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net assets * Statement of revenues, expenses and changes in fund net assets * Statement of cash flows	* Statement of Fiduciary Net Assets * Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of Waukee Community School District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all Waukee Community School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements reflect functions of the Waukee Community School District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional services, other and interest on long-term debt. Business type activities are those that the District charges a fee to help cover the costs such as School Nutrition.

The government-wide financial statements include only Waukee Community School District. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the District.

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Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Waukee Community School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary fund and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Waukee Community School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service and Capital Projects Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22 through 29 of this report.

Proprietary fund – The District maintains only one type of proprietary fund, the enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains three enterprise funds.

The basic proprietary fund financial statements can be found on pages 30 through 32 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Waukee Community School District's own programs. The fiduciary funds of the District are private purpose trust funds. Private purpose trust funds account for assets held by the District under trust agreements with restrictions of income earned to be used to benefit individuals through scholarship awards.

The basic fiduciary fund financial statements can be found on pages 33 through 34 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Waukee Community School District's budgetary comparison for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan. Required Supplemental Information can be found on pages 54 and 56 of this report.

Other Supplementary Information provides detailed information about the non-major governmental and proprietary funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

**Waukee Community School District
Management's Discussion and Analysis
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Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's total net assets have increased from a year ago from \$66,817,781 to \$77,629,414.

A significant portion of the District's total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net assets invested in capital assets, net of related debt, was \$20,261,488. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Figure A-3 below provides a summary of the District's net assets at June 30, 2012 compared to June 30, 2011.

**Figure A-3
Statement of Net Assets**

	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2012	2011	2012	2011	2012	2011	2011-2012
Current assets	\$ 109,343,539	82,573,837	2,504,916	2,257,508	111,848,455	84,831,345	31.8%
Capital assets, net	163,698,200	151,511,231	1,608,365	1,713,938	165,306,565	153,225,169	7.9%
Total assets	273,041,739	234,085,068	4,113,281	3,971,446	277,155,020	238,056,514	16.4%
Current liabilities	62,153,651	63,545,111	126,506	135,198	62,280,157	63,680,309	-2.2%
Long-term liabilities	136,977,435	107,360,392	268,014	198,032	137,245,449	107,558,424	27.6%
Total liabilities	199,131,086	170,905,503	394,520	333,230	199,525,606	171,238,733	16.5%
Net assets:							
Invested in capital assets, net of related debt	39,668,066	39,004,284	1,608,365	1,713,938	41,276,431	40,718,222	1.4%
Restricted	25,874,709	17,089,247	-	-	25,874,709	17,089,247	51.4%
Unrestricted	8,367,878	7,086,034	2,110,396	1,924,278	10,478,274	9,010,312	16.3%
Total net assets	\$ 73,910,653	63,179,565	3,718,761	3,638,216	77,629,414	66,817,781	16.2%

The restricted portion of the District's net assets (33%) represents resources that are subject to external restrictions on how they may be used. These restrictions include \$1,053,041 for categorical funding, \$11,350,393 for debt service, \$2,761,794 for management levy purposes, \$511,909 for student activities, \$3,525,006 for school infrastructure and \$6,672,566 for physical plant and equipment. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to students and creditors.

At the end of the current fiscal year, the Waukee Community School District is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The District's total net assets increased by \$10,811,633 or 16.2%, during the current fiscal year. The total invested in capital assets net of related debt increased 1.4%. The governmental activities net assets increased by \$10,731,088. Business type activities net assets increased by \$80,545.

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Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2012 as compared to the fiscal year ended June 30, 2011. These two main components are subtracted to yield the change in net assets. This table utilized the full accrual method of accounting. Revenue is further divided into two major components: Program Revenue and General Revenue. Program Revenue is defined as charges for services and sales, operating and capital grants and contributions. General Revenue includes taxes and unrestricted grants such as state foundation support.

**Figure A-4
Changes in Net Assets**

	Governmental activities		Business type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2012	2011	2012	2011	2012	2011	2011-2012
Revenues:							
Program revenues:							
Charges for services	\$ 2,832,259	2,546,069	3,767,824	3,456,186	6,600,083	6,002,255	9.96%
Operating grants and contributions	8,055,895	9,007,569	864,022	794,023	8,919,917	9,801,592	-9.00%
General Revenues:							
Property and other taxes	40,929,986	38,999,099	-	-	40,929,986	38,999,099	4.95%
Statewide sales and services tax	5,170,073	5,585,731	-	-	5,170,073	5,585,731	-7.44%
Unrestricted state grants	24,756,176	20,447,529	-	-	24,756,176	20,447,529	21.07%
Unrestricted investment earnings	37,630	108,114	1,533	3,546	39,163	111,660	-64.93%
Other	788,757	780,481	-	-	788,757	780,481	1.06%
Transfers	(197,609)	(1,218,178)	197,609	1,218,178	-	-	0.00%
Total revenues	<u>82,373,167</u>	<u>76,256,414</u>	<u>4,830,988</u>	<u>5,471,933</u>	<u>87,204,155</u>	<u>81,728,347</u>	<u>6.70%</u>
Expenses:							
Program expenses:							
Instruction	42,519,470	40,827,340	-	-	42,519,470	40,827,340	4.14%
Support services	18,361,448	16,998,032	127,696	81,528	18,489,144	17,079,560	8.25%
Non-instructional programs	1,096	102,369	4,622,747	4,475,183	4,623,843	4,577,552	1.01%
Other	6,048,430	2,708,103	-	-	6,048,430	2,708,103	123.35%
Debt service	4,711,635	4,825,236	-	-	4,711,635	4,825,236	-2.35%
Total expenses	<u>71,642,079</u>	<u>65,461,080</u>	<u>4,750,443</u>	<u>4,556,711</u>	<u>76,392,522</u>	<u>70,017,791</u>	<u>9.10%</u>
Changes in net assets	10,731,088	10,795,334	80,545	915,222	10,811,633	11,710,556	-7.68%
Net assets beginning of year	63,179,565	52,384,231	3,638,216	2,722,994	66,817,781	55,107,225	21.25%
Net assets end of year	<u>\$ 73,910,653</u>	<u>63,179,565</u>	<u>3,718,761</u>	<u>3,638,216</u>	<u>77,629,414</u>	<u>66,817,781</u>	<u>16.18%</u>

Expenses are shown in programs including instruction, support services, non-instructional programs, other and debt service.

The number of students served by the District increased by approximately 431 students, or a 9.4% increase over the prior year. This accounts for the across the board increase in revenues and expenses in both governmental activities and business-type activities. Investment earnings decreased 64.93% due to falling interest rates and decreased availability of investment capital for greater periods of time. Statewide sales tax decreased by 7.4% due to an overall moderating of Dallas County taxable sales.

**Waukee Community School District
Management's Discussion and Analysis
Year Ended June 30, 2012**

Governmental Activities – Figure A-5 below discloses the total and net cost of services for the District's major governmental activities, instruction, support services, non-instructional programs, other and debt service expenses, for the year ended June 30, 2012 compared to the year ended June 30, 2011. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by state aid and local taxes. The difference in these two columns would represent restricted grants and services. Net cost of services is 84.8% of total cost of services in 2012.

**Figure A-5
Total and Net Cost of Governmental Activities**

	Total Cost of Services			Net Cost of Services		
	June 30,			June 30,		
	2012	2011	2011-2012	2012	2011	2011-2012
Instruction	\$ 42,519,470	40,827,340	4.14%	34,700,810	32,133,058	7.99%
Support services	18,361,448	16,998,032	8.02%	17,865,398	16,635,070	7.40%
Noninstructional programs	1,096	102,369	-98.93%	1,096	102,369	-98.93%
Other	6,048,430	2,708,103	123.35%	3,474,986	211,709	1541.40%
Debt service	4,711,635	4,825,236	-2.35%	4,711,635	4,825,236	-2.35%
	\$ 71,642,079	65,461,080	9.44%	60,753,925	53,907,442	12.70%

Business Type Activities – Revenues for business type activities during the year ended June 30, 2012 were \$4,633,379 representing, an 8.92% increase over the prior year, while expenses totaled \$4,750,443, a 4.25% increase over the prior year. The District's business type activities include the School Nutrition Fund, Community Daycare and Community Education.

Individual Fund Analysis

As noted earlier, the Waukee Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the Waukee Community School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Waukee Community School District's governmental funds reported combined ending balances of \$58,283,483, an increase of \$30,296,928 in comparison with the prior year. Approximately 34.56% of this total amount or \$10,471,856 constitutes unreserved fund balance and is available for spending at the government's discretion. The remainder of the fund balance is nonexpendable or restricted. Restricted net assets represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The nonexpendable fund balance of \$46,239 is in inventories. Restricted fund balances consist of \$1,053,041 for categorical funding, \$11,779,376 for debt service, \$3,208,547 for management levy purposes, \$511,909 for student activities, \$24,539,949 for school infrastructure and \$6,672,566 for physical plant and equipment.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,471,856 while total fund balance reached \$11,571,136. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures. Unassigned fund balance represents 17.50% of total General Fund expenditures.

The fund balance of the District's General Fund increased \$2,440,073 during the current fiscal year. The key factor in this was due to sound fiscal management. The State of Iowa last year did not increase allowable growth, the amount the District receives per student. This was the first time the State had 0% allowable growth. The State has provided 2-4% growth in the past. In addition, the District received and spent the ARRA Ed Jobs funds last year. The District was prudent in the number of new employees it hired due to the lack of allowable growth received.

**Waukee Community School District
Management's Discussion and Analysis
Year Ended June 30, 2012**

The District's other major funds include the Debt Service Fund and the Capital Projects Fund. The Debt Service fund balance increased \$7,108,829 due to the refunding bond issuance held until callable as well as the accumulation of local taxes needed to make future interest payments as they come due. The Capital Projects fund balance increased \$20,351,025 due to the issuance of bonds. The District issued \$22,335,000 in revenue bonds in June 2012 to finance capital facility construction Woodland Hills Elementary and to refinance existing revenue bonds. The High School addition was completed by selling \$4,050,000 of capital loans notes.

Budgetary Highlights

As allowed by GASB Statement No. 41, *Budgetary Comparison-Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget for all funds except fiduciary funds as described in the note to required supplementary information.

A comparison of the actual expenditures/expenses of the District's budgeted funds with the final budget amounts is as follows:

	Budget-		
	Original and Final	Actual	Variance
Instruction	\$ 40,000,000	41,739,086	(1,739,086)
Support services	27,399,300	18,020,497	9,378,803
Noninstructional programs	3,650,000	4,622,747	(972,747)
Other	38,321,287	38,378,451	(57,164)
	<u>\$ 109,370,587</u>	<u>102,760,781</u>	<u>6,609,806</u>

In spite of the District's budgetary practice, the certified budget was exceeded in the instruction, noninstructional programs and other function area due to the timing of expenditures at year-end without sufficient time to amend the certified budget.

Capital Assets and Debt Administration

Capital Assets – The following table shows ending balances of capital assets invested in various categories. The District recognized a total net increase of \$12,081,396. The increase can be attributed to land purchase and increased construction in progress not completed at June 30 on Woodland Hills Elementary and High School Addition projects.

**Figure A-6
Capital Assets, Net of Depreciation**

	Governmental activities		Business Type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2012	2011	2012	2011	2012	2011	2011-2012
Land	\$ 8,374,545	5,510,945	-	-	8,374,545	5,510,945	52.0%
Land improvements	4,780,898	4,803,910	-	-	4,780,898	4,803,910	-0.5%
Buildings and building improvements	135,579,482	137,770,817	-	-	135,579,482	137,770,817	-1.6%
Machinery and equipment	2,193,963	2,141,516	1,608,365	1,713,938	3,802,328	3,855,454	-1.4%
Construction in progress	12,769,312	1,284,043	-	-	12,769,312	1,284,043	894.5%
Total	<u>\$ 163,698,200</u>	<u>151,511,231</u>	<u>1,608,365</u>	<u>1,713,938</u>	<u>165,306,565</u>	<u>153,225,169</u>	<u>7.9%</u>

Additional information about the District's capital assets can be found in note 6 to the financial statements.

Debt – As of June 30, 2012, the Waukee Community School District had general obligation bonds, capital loan notes and revenue bonds outstanding principal balance totaling \$143,600,000. In the current year, the District paid \$14,585,000 in principal and \$4,881,486 in interest.

As of June 30, 2012, the District's available debt limit was \$206,600,121 which leaves a legal debt margin of \$63,000,121 once the current year applicable general obligation and capital loan debt is applied.

**Figure A-7
Long-term Debt Obligations**

	Total School District		Total Change
	June 30,		June 30,
	2012	2011	2011-2012
General obligation bonds	\$ 110,465,000	96,445,000	14.5%
Revenue bonds	22,335,000	8,680,000	157.3%
Capital loan notes	10,800,000	8,285,000	30.4%
Bond discounts, net of amortization	(588,836)	(102,306)	475.6%
Bond issuance costs, net of amortization	(141,256)	(154,779)	-8.7%
Bond premiums, net of amortization	2,175,169	605,914	259.0%
Early retirement payable	446,753	580,959	-23.1%
Other post employment benefits payable	2,472,641	1,827,000	35.3%
Totals	\$ 147,964,471	116,166,788	27.4%

Additional information about the District's long-term debt can be found in note 7 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The District is located in the central part of the state, approximately 15 miles west of the city of Des Moines. The District, comprised totally in Dallas County, Iowa, is one of the fastest growing counties in the nation. The District is the fastest growing school district in the State of Iowa. The October 2012 certified student enrollment increased 611.07 students over the previous year. The economic condition and outlook of the District is one of great optimism. Over the past eight years the total taxable assessed value in the District has increased \$2.89B. The taxable assessed value has increased 164.6% since 2005. For the current fiscal year, taxable assessed value in the District increased \$540,379,168 or 25.8%.

Based on conservative estimates this trend is expected to continue and probably accelerate in the immediate future. The eastern portions of Dallas County are experiencing growth in both residential and commercial development. The collection of the Dallas County local option sales tax, a one cent tax on all covered retail sales began in January of 2004 and generated \$5.1 million dollars in fiscal 2012. An estimated \$5.5 million dollars is expected to be generated in 2013. The one-cent sales tax will continue through December of 2013 and at which point the District will join the state pool.

This growth, while having a positive impact, also presents significant challenges for the District. The District is utilizing the optional instructional support levy to its fullest and will need to continue its high level of efficient use of human resources and facilities.

Retail sales, building permits and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. Dallas County is one of the fastest growing counties in the country. These increases are projected to continue if economic conditions remain favorable.

The past year saw a dramatic State of Iowa economic downturn. Revenue projections at the state level decreased drastically from the previous year. The District has faced reductions in funding for state aid and other state-funded programs in the two previous fiscal years. The District has taken a pro-active approach to fiscal stability that has served it well in these times of financial crisis. The 2012 legislature set allowable growth for the 2012-13 at 2%. We are optimistic about the District's financial outlook because of prudent actions taken over the past six to seven years. The District has positioned itself extremely well to withstand financial uncertainties at both the state and federal level. We are confident as the national economy begins to strengthen, state revenues will follow the same upward direction.

Requests for Information

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Lora Appenzeller-Miller, Chief Financial Officer, Waukee Community School District, 560 S.E. University Avenue, Waukee, Iowa, 50263.

Basic Financial Statements

Waukee Community School District
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business Type Activities	Total Primary Government
Assets			
Current Assets:			
Cash and cash equivalents	\$ 64,141,810	2,438,726	66,580,536
Receivables:			
Property tax:			
Delinquent	246,840	-	246,840
Succeeding year	43,309,318	-	43,309,318
Accounts	87,336	10,011	97,347
Due from other governments	1,511,996	230	1,512,226
Inventories	46,239	55,949	102,188
Total current assets	109,343,539	2,504,916	111,848,455
Non-current assets:			
Capital assets not being depreciated:			
Land	8,374,545	-	8,374,545
Construction in progress	12,769,312	-	12,769,312
Capital assets net of accumulated depreciation:			
Buildings and building improvements	135,579,482	-	135,579,482
Land improvements	4,780,898	-	4,780,898
Machinery and equipment	2,193,963	1,608,365	3,802,328
Total non-current assets	163,698,200	1,608,365	165,306,565
Total assets	273,041,739	4,113,281	277,155,020
Liabilities			
Current liabilities:			
Accounts payable	1,724,092	29,105	1,753,197
Salaries and benefits payable	5,765,369	27,300	5,792,669
Accrued interest payable	428,983	-	428,983
Unearned revenue:			
Succeeding year property tax	43,309,318	-	43,309,318
Other	18,036	55,566	73,602
Capital loan notes payable	2,585,000	-	2,585,000
Revenue bonds payable	3,000,000	-	3,000,000
General obligation bonds payable	5,012,851	-	5,012,851
Early retirement payable	121,171	-	121,171
Compensated absences	188,831	14,535	203,366
Total current liabilities	62,153,651	126,506	62,280,157

Waukee Community School District
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business Type Activities	Total Primary Government
<i>Continued from previous page</i>			
Long-term liabilities:			
Capital loan notes payable	8,215,000	-	8,215,000
Revenue bonds payable	19,335,000	-	19,335,000
General obligation bonds payable	106,897,226	-	106,897,226
Early retirement payable	325,582	-	325,582
Other post employment benefits payable	2,204,627	268,014	2,472,641
Total long-term liabilities	136,977,435	268,014	137,245,449
Total liabilities	199,131,086	394,520	199,525,606
Net Assets			
Invested in capital assets, net of related debt	39,668,066	1,608,365	41,276,431
Restricted for:			
Categorical funding	1,053,041	-	1,053,041
Debt service	11,350,393	-	11,350,393
Management levy purposes	2,761,794	-	2,761,794
Student activities	511,909	-	511,909
School infrastructure	3,525,006	-	3,525,006
Physical plant and equipment	6,672,566	-	6,672,566
Unrestricted	8,367,878	2,110,396	10,478,274
Total net assets	\$ 73,910,653	3,718,761	77,629,414

See notes to financial statements.

Waukee Community School District
Statement of Activities
Year ended June 30, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total Primary Government
Functions/Programs:						
Governmental activities:						
Instruction:						
Regular	\$ 31,297,314	1,451,504	4,381,395	(25,464,415)	-	(25,464,415)
Special	6,377,105	338,616	856,167	(5,182,322)	-	(5,182,322)
Other	4,845,051	768,457	22,521	(4,054,073)	-	(4,054,073)
	<u>42,519,470</u>	<u>2,558,577</u>	<u>5,260,083</u>	<u>(34,700,810)</u>	<u>-</u>	<u>(34,700,810)</u>
Support services:						
Student	2,248,395	-	-	(2,248,395)	-	(2,248,395)
Instructional staff	2,914,068	-	-	(2,914,068)	-	(2,914,068)
Administration	4,933,637	-	-	(4,933,637)	-	(4,933,637)
Operation/maintenance of plant	5,289,748	224,047	-	(5,065,701)	-	(5,065,701)
Transportation	2,975,600	49,635	222,368	(2,703,597)	-	(2,703,597)
	<u>18,361,448</u>	<u>273,682</u>	<u>222,368</u>	<u>(17,865,398)</u>	<u>-</u>	<u>(17,865,398)</u>
Noninstructional programs	1,096	-	-	(1,096)	-	(1,096)
Other expenses:						
Interest (unallocated)	4,711,635	-	-	(4,711,635)	-	(4,711,635)
AEA flowthrough	2,573,444	-	2,573,444	-	-	-
Depreciation (unallocated) *	3,474,986	-	-	(3,474,986)	-	(3,474,986)
	<u>10,760,065</u>	<u>-</u>	<u>2,573,444</u>	<u>(8,186,621)</u>	<u>-</u>	<u>(8,186,621)</u>
Total governmental activities	71,642,079	2,832,259	8,055,895	(60,753,925)	-	(60,753,925)
Business type activities:						
Non-instructional programs:						
Food service operations	3,529,305	2,572,612	864,022	-	(92,671)	(92,671)
Daycare operations	908,910	1,081,982	-	-	173,072	173,072
Community education operations	312,228	113,230	-	-	(198,998)	(198,998)
Total business type activities	<u>4,750,443</u>	<u>3,767,824</u>	<u>864,022</u>	<u>-</u>	<u>(118,597)</u>	<u>(118,597)</u>
Total primary government	<u>\$ 76,392,522</u>	<u>6,600,083</u>	<u>8,919,917</u>	<u>(60,753,925)</u>	<u>(118,597)</u>	<u>(60,872,522)</u>

**Waukee Community School District
Statement of Activities
Year ended June 30, 2012**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total Primary Government
Totals continued from previous page	\$ 76,392,522	6,600,083	8,919,917	\$ (60,753,925)	(118,597)	(60,872,522)
General Revenues and Transfers:						
Property tax levied for:						
General purposes				28,016,010	-	28,016,010
Debt service				8,523,118	-	8,523,118
Capital outlay				4,390,858	-	4,390,858
Statewide sales, services and use tax				5,170,073	-	5,170,073
Unrestricted state grants				24,756,176	-	24,756,176
Grants and contributions not restricted to specific programs				467,994	-	467,994
Unrestricted investment earnings				37,630	1,533	39,163
Other				320,763	-	320,763
Transfers				(197,609)	197,609	-
Total general revenues and transfers				71,485,013	199,142	71,684,155
Change in net assets				10,731,088	80,545	10,811,633
Net assets beginning of year				63,179,565	3,638,216	66,817,781
Net assets end of year				\$ 73,910,653	3,718,761	77,629,414

* This amount excludes the depreciation that is included in the direct expense of the various programs.

See notes to financial statements.

**Waukee Community School District
Balance Sheet
Governmental Funds
June 30, 2012**

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
Assets					
Cash and pooled investments	\$ 17,581,377	9,614,654	32,920,068	3,782,470	63,898,569
Receivables:					
Property tax:					
Delinquent	166,239	49,143	25,317	6,141	246,840
Succeeding year	25,808,912	11,328,958	4,671,446	1,500,002	43,309,318
Interfund	41,687	-	-	37	41,724
Accounts	38,188	-	492	48,656	87,336
Due from other governments	660,286	229	851,449	32	1,511,996
Inventories	46,239	-	-	-	46,239
Total assets	\$ 44,342,928	20,992,984	38,468,772	5,337,338	109,142,022
Liabilities and Fund Balances					
Liabilities:					
Interfund payable	\$ 37	-	12,076	29,611	41,724
Accounts payable	1,179,438	-	457,385	87,269	1,724,092
Salaries and benefits payable	5,765,369	-	-	-	5,765,369
Deferred revenue:					
Succeeding year property tax	25,808,912	11,328,958	4,671,446	1,500,002	43,309,318
Other	18,036	-	-	-	18,036
Total liabilities	32,771,792	11,328,958	5,140,907	1,616,882	50,858,539
Fund balances:					
Nonspendable:					
Inventories	46,239	-	-	-	46,239
Restricted for:					
Categorical funding	1,053,041	-	-	-	1,053,041
Debt service	-	9,664,026	2,115,350	-	11,779,376
Mangement levy purposes	-	-	-	3,208,547	3,208,547
Student activities	-	-	-	511,909	511,909
School infrastructure	-	-	24,539,949	-	24,539,949
Physical plant and equipment	-	-	6,672,566	-	6,672,566
Unassigned	10,471,856	-	-	-	10,471,856
Total fund balances	11,571,136	9,664,026	33,327,865	3,720,456	58,283,483
Total liabilities and fund balances	\$ 44,342,928	20,992,984	38,468,772	5,337,338	109,142,022

See notes to financial statements.

Exhibit D

**Waukee Community School District
 Reconciliation of the Balance Sheet
 Governmental Funds To the Statement of Net Assets
 June 30, 2012**

Total fund balances of governmental funds (Exhibit C) \$ 58,283,483

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 163,698,200

The Internal Service Fund is used to charge the costs of the District's flexible benefits plan and self-funded dental plan to the governmental funds. The net assets of the Internal Service Fund are therefore included in governmental activities. 243,241

Long-term liabilities, including bonds and notes payable, early retirement and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of:

Capital loan notes payable	\$	(10,800,000)	
Revenue bonds payable		(22,335,000)	
General obligation bonds payable		(110,465,000)	
Bond discounts		588,836	
Bond issuance costs		141,256	
Bond premiums		(2,175,169)	
Accrued interest		(428,983)	
Early retirement		(446,753)	
Compensated absences		(188,831)	
Other post employment benefits		(2,204,627)	
		(148,314,271)	(148,314,271)

Net assets of governmental activities (Exhibit A) \$ 73,910,653

See notes to financial statements.

Exhibit E

Waukee Community School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2012

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
Revenues:					
Local sources:					
Local tax	\$ 27,018,767	8,523,118	9,560,931	997,243	46,100,059
Tuition	1,447,535	-	-	-	1,447,535
Other	1,209,590	5,818	20,226	975,477	2,211,111
State sources	31,649,148	1,318	679	176	31,651,321
Federal sources	1,160,750	-	-	-	1,160,750
Total revenues	62,485,790	8,530,254	9,581,836	1,972,896	82,570,776
Expenditures:					
Current:					
Instruction:					
Regular	30,316,398	-	-	354,173	30,670,571
Special	6,245,725	-	-	-	6,245,725
Other	3,869,615	-	-	953,175	4,822,790
	40,431,738	-	-	1,307,348	41,739,086
Support services:					
Student	2,218,912	-	-	-	2,218,912
Instructional staff	2,903,099	-	-	-	2,903,099
Administration	4,087,812	29,564	751,764	5,212	4,874,352
Operation and maintenance of plant	4,680,224	-	-	263,367	4,943,591
Transportation	2,952,847	-	-	-	2,952,847
	16,842,894	29,564	751,764	268,579	17,892,801
Capital outlay:					
Facilities acquisition	-	-	16,338,521	-	16,338,521
Debt service:					
Principal	-	14,585,000	-	-	14,585,000
Interest and fiscal charges	-	4,881,486	-	-	4,881,486
	-	19,466,486	-	-	19,466,486
Intergovernmental:					
Other expenditures	2,573,444	-	-	-	2,573,444
Total expenditures	59,848,076	19,496,050	17,090,285	1,575,927	98,010,338
Excess (deficiency) of revenues over (under) expenditures	2,637,714	(10,965,796)	(7,508,449)	396,969	(15,439,562)
Other financing sources (uses):					
Issuance of revenue bonds	-	-	22,335,000	-	22,335,000
Issuance of capital loan notes	-	-	4,050,000	-	4,050,000
Issuance of general obligation bonds	-	-	10,000,000	-	10,000,000
Advance refunding of general obligation bonds	-	8,390,000	-	-	8,390,000
Premium on the issuance of debt	-	376,830	1,285,909	-	1,662,739
Discount on the issuance of debt	-	(137,630)	(366,010)	-	(503,640)
Transfers in	1,423	9,445,425	-	32	9,446,880
Transfers out	(199,064)	-	(9,445,425)	-	(9,644,489)
Total other financing sources (uses)	(197,641)	18,074,625	27,859,474	32	45,736,490
Net change in fund balances	2,440,073	7,108,829	20,351,025	397,001	30,296,928
Fund balances beginning of year	9,131,063	2,555,197	12,976,840	3,323,455	27,986,555
Fund balances end of year	\$ 11,571,136	9,664,026	33,327,865	3,720,456	58,283,483

See notes to financial statements.

**Waukee Community School District
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds to the Statement of Activities
 Year ended June 30, 2012**

Net change in fund balances - total governmental funds (Exhibit E) \$ 30,296,928

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Expenditures for capital assets	\$ 16,114,705	
Depreciation expense	<u>(3,927,736)</u>	12,186,969

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Assets. Repayment of long-term debt liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs and premiums, whereas these amounts are deferred in and amortized in the Statement of Activities. Current year items are as follows:

Issuance of bond and note principal	(44,775,000)	
Premium on the issuance of debt	(1,662,739)	
Discount on the issuance of debt	503,640	
Repayments of bond and note principal	14,585,000	
Amortization of premiums and discounts	<u>62,851</u>	(31,286,248)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 107,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Early retirement	22,704	
Compensated absences	(1,240)	
Other post employment benefits	<u>(575,659)</u>	(554,195)

The change in net assets of the Internal Service Funds represent an undercharge to the governmental funds served and, therefore, increases expenses in the Statement of Activities. (19,366)

Change in net assets of governmental activities (Exhibit B) \$ 10,731,088

See notes to financial statements.

**Waukee Community School District
Statement of Net Assets
Proprietary Funds
June 30, 2012**

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,438,726	243,241
Receivables:		
Accounts	10,011	-
Due from other governments	230	-
Inventories	55,949	-
Total current assets	<u>2,504,916</u>	<u>243,241</u>
Non-current assets:		
Capital assets:		
Machinery and equipment	3,002,570	-
Accumulated depreciation	(1,394,205)	-
Total non-current assets	<u>1,608,365</u>	<u>-</u>
Total assets	<u>4,113,281</u>	<u>243,241</u>
Liabilities		
Current liabilities:		
Accounts payable	29,105	-
Salaries and benefits payable	27,300	-
Unearned revenue	55,566	-
Compensated absences	14,535	-
Total current liabilities	<u>126,506</u>	<u>-</u>
Long-term liabilities:		
Other post employment benefits	268,014	-
Total liabilities	<u>394,520</u>	<u>-</u>
Net Assets		
Invested in capital assets	1,608,365	-
Unrestricted	2,110,396	243,241
Total net assets	<u>\$ 3,718,761</u>	<u>243,241</u>

See notes to financial statements.

Exhibit H

Waukee Community School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year ended June 30, 2012

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Funds
Operating revenue:		
Local sources:		
Charges for services	\$ 3,767,824	723,052
Operating expenses:		
Support services:		
Administration services	84,476	-
Operation and maintenance of plant services	27,386	-
Transportation services	15,834	-
	<u>127,696</u>	<u>-</u>
Non-instructional programs:		
Food service operations:		
Depreciation	198,674	-
Other	3,297,405	-
	<u>3,496,079</u>	<u>-</u>
Other enterprise operations:		
Depreciation	8,217	-
Other	1,118,451	742,418
	<u>1,126,668</u>	<u>742,418</u>
Total operating expenses	<u>4,750,443</u>	<u>742,418</u>
Operating loss	<u>(982,619)</u>	<u>(19,366)</u>
Non-operating revenues:		
Interest on investments	1,533	-
State sources	27,809	-
Federal sources	836,213	-
Total non-operating revenues	<u>865,555</u>	<u>-</u>
Loss before transfers	(117,064)	(19,366)
Transfers:		
Transfer in	199,064	-
Transfer out	(1,455)	-
Total transfers	<u>197,609</u>	<u>-</u>
Change in net assets	80,545	(19,366)
Net assets beginning of year	<u>3,638,216</u>	<u>262,607</u>
Net assets end of year	<u>\$ 3,718,761</u>	<u>243,241</u>

See notes to financial statements.

Waukee Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2012

	Business Type Activities	Governmental Activities
	Non-major Enterprise Funds	Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 2,500,353	-
Cash received from miscellaneous operating activities	1,255,485	694,508
Cash payments to employees for services	(2,458,176)	(742,418)
Cash payments to suppliers for goods or services	(1,802,476)	-
Net cash used by operating activities	<u>(504,814)</u>	<u>(47,910)</u>
Cash flows from non-capital financing activities:		
Transfers in	197,609	-
State grants received	27,809	-
Federal grants received	650,498	-
Net cash provided by non-capital financing activities	<u>875,916</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(101,318)	-
Net cash used by capital and related financing activities	<u>(101,318)</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	1,533	-
Net increase (decrease) in cash and cash equivalents	271,317	(47,910)
Cash and cash equivalents at beginning of year	2,167,409	291,151
Cash and cash equivalents at end of year	<u>\$ 2,438,726</u>	<u>243,241</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (982,619)	(19,366)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Commodities used	185,715	-
Depreciation	206,891	-
Decrease (increase) in accounts receivable	(4,391)	34,393
Increase in due from other governments	(230)	-
Decrease in inventories	28,530	-
Increase (decrease) in accounts payable	8,274	(62,937)
Decrease in salaries and benefits payable	(11,073)	-
Decrease in unearned revenue	(8,870)	-
Increase in compensated absences payable	2,977	-
Increase in other post employment benefits payable	69,982	-
Net cash used by operating activities	<u>\$ (504,814)</u>	<u>(47,910)</u>
Non-cash investing, capital and financing activities:		
Noncapital financing activities, commodities received from the US Department of Agriculture	\$ 185,715	-

See notes to financial statements.

Exhibit J

**Waukee Community School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012**

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
Assets	
Cash and pooled investments	\$ 232,845
Total assets	<u>232,845</u>
Net assets	
Assets held in trust for scholarships	<u>\$ 232,845</u>

See notes to financial statements.

Exhibit K

Waukee Community School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
Year Ended June 30, 2012

	Private Purpose Trust
	Scholarship
Additions:	
Local sources:	
Donations	\$ 12,000
Interest	8,458
Total additions	20,458
Deductions:	
Instruction:	
Scholarships awarded	19,517
Total deductions	19,517
Change in net assets	941
Net assets beginning of year	231,904
Net assets end of year	\$ 232,845

See notes to financial statements.

(1) **Summary of Significant Accounting Policies**

The Wauke Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the city of Wauke, Iowa; portions of the cities of West Des Moines, Clive and Urbandale, and the agricultural territory in Dallas County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Wauke Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. Wauke Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Dallas County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation plus unspent bond proceeds and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

Fund accounting - The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The District has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund: The General Fund accounts for all sources used to finance District operation and maintenance, except those required to be accounted for in another fund.

Debt Service Fund: The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

Capital Projects Fund: The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The other governmental funds of the District are considered non-major and are as follows:

Special Revenue Funds: The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

Student Activity Funds: This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extra-curricular or co-curricular activities.

Management Fund: This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

Proprietary Fund Types: Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows. The following are the District's proprietary funds:

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the District has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

The following enterprise funds of the District are considered non-major:

School Nutrition Fund: This fund accounts for transactions related to the school lunch, breakfast and summer food programs authorized by Iowa Code 283A.

Daycare Fund: This fund accounts for transactions for before and after school child care and summer child care programs authorized by Iowa Code 298A.12 and 279.49.

Community Education Fund: This fund accounts for transactions for facilities and services to provide further education opportunities to the local area.

Internal Service Funds: The internal service funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The internal service funds are charged back to the Governmental Funds and shown combined in the statement of net assets and statement of activities. This chargeback is based on a percentage of total employees by the participants various functional areas. The District has the following internal service funds:

Self-Insurance Fund: This fund accounts for transactions for self-insured dental insurance received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurance.

Flexible benefits: This fund accounts for transactions for certain benefits available to District employees in which the District is responsible for paying all premiums or costs specified by the employee.

Fiduciary Fund Types: Fiduciary funds account for assets held by the District in a trustee or agency capacity for the benefit of others and cannot be used to support District activities. The District has the following fiduciary fund type:

Private Purpose Trust Fund: This fund accounts for assets held by the District under trust agreements with restrictions of income earned to be used to benefit individuals through scholarship awards.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

All proprietary funds of the District apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investments in the Iowa Schools Joint Investment Trust and IPAS Education, which are valued at amortized cost, and non-negotiable certificates of deposit, which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2010 assessed property valuations; is for the tax accrual period July 1, 2011 through June 30, 2012 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2011.

Interfund Receivables and Payables – During the course of its operations, the District may have certain transactions between funds or pooled cash balances. At June 30, 2012 there were interfund receivable and payable amounts reported.

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at the moving average cost for purchased items and contributed value (fair value at the date received) for government commodities and other donated items. Inventories are recorded as expenses when consumed in the Government-wide financial statements and proprietary funds' financial statements. In the governmental fund financial statements, inventories are accounted for using the consumption method whereby inventory acquisitions are recorded in inventory accounts when purchased and are charged to operations when consumed or sold. Therefore, a reservation of governmental fund balance is required. In the proprietary fund financial statements, inventories are recorded at the lower costs (first in, first out method) or market and food commodities which were received from the federal government recorded at the contributed value as of the date received.

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 2,500
Buildings	2,500
Improvements other than buildings	2,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,500

Capital assets (with the exception of land and construction in progress, which are not depreciated) are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5-20 years

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred and Unearned Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue consists of the succeeding year's property tax receivable.

Unearned revenue on the Statement of Net Assets consists of the succeeding year's property tax receivable that will not be recognized as revenue until the year for which it is levied and other unearned proceeds.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2012. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Unassigned – All amounts not included in other spendable classifications.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

(2) **Budgets and Budgetary Accounting**

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district wide budget and approves the related appropriations following required public notice and hearing for all funds, except internal service and fiduciary funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides that District disbursements in the General Fund may not exceed the amount authorized by the school finance formula.

The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

1. In accordance with the Statutes of the State of Iowa, prior to March 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expenses and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the functional area level.
2. Public hearings are required to be conducted to obtain taxpayer comment.
3. Prior to April 15, the budget is legally enacted through certification from the County Auditor.
4. Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.

(2) *Budgets and Budgetary Accounting (continued from previous page)*

5. The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor.
6. Appropriations lapse at the end of each fiscal year.
7. The budget cannot be amended without the approval of the Board of Education.
8. Unexpended budgetary balance lapse at June 30 and are not available to finance expenditures or expenses of the following year.

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules - Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. During the year ended June 30, 2012, expenditures in the instruction, non-instructional programs and other expenditures functional areas exceeded the amount budgeted.

(3) **Deposits and Pooled Investments**

As of June 30, 2012, the carrying amount of the District's bank deposits and pooled investments totaled \$70,025,045 with actual bank balances of \$16,259,840 and investment balances of \$53,765,205. Of the bank balances, \$500,000 was covered by federal depository insurance and \$15,759,840 was collateralized by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds not currently needed for operating expenses in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured Iowa depository institutions approved by the Board; prime eligible bankers' acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts. However, the District's investment policy additionally limits investments in commercial paper to obligations at the time of purchase rated within the two highest ratings issued by nationally recognized statistical rating organizations with a maturity less than 270 days, with no more than 5 percent at the time of purchase placed in the second highest classification and no more than 10 percent of the investment portfolio in these investments. The District's investment policy additionally limits investments in prime bankers' acceptances that mature within 270 days and that are eligible for purchase by a federal reserve bank, with no more than 10 percent of the investment portfolio in these investments.

At June 30, 2012, the District had investments in the following:

Type	Amortized Cost/Fair Value
IPASeducation	\$ 53,565,596
Money Market Mutual Fund	89,778
Negotiable Certificates of Deposit	109,831
	\$ 53,765,205

The investments in IPASeducation are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. There is no material difference from fair value. In addition, the fair value of the District's financial position in the pool is the same as the value of the pool shares. The negotiable certificates of deposit and money market mutual fund are stated at fair value.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy requires operating funds to be invested in investments that mature within 397 days or less. When investing other than operating funds, the investments must mature according to the needs of the funds. Operating funds of the District are funds which are reasonably expected to be used during a current budget year or within 15 months of receipt. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012

(3) *Deposits and Pooled Investments (continued from previous page)*

Credit risk: The investments in IPASeducation and the money market mutual fund are unrated. The District's investment policy does not formally address credit risk.

Custodial credit risk for deposits: In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12C of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized.

At June 30, 2012, the District's deposits with financial institutions were entirely covered by federal depository insurance or insured through the state pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

At June 30, 2012, \$53,765,205 of the District's investments was uninsured or unregistered with securities held by the counterparty's trust department or agent in the District's name.

(4) **Transfers**

The detail of transfers for the year ended June 30, 2012 is as follows:

	Transfer In					
	Governmental Activities			Total Governmental Activities	Business type Activities	
	General	Debt Service	Nonmajor Special Revenue		Nonmajor Enterprise	Total
<u>Transfer Out</u>						
Governmental Activities:						
General	\$ -	-	-	-	199,064	199,064
Capital Projects	-	9,445,425	-	9,445,425	-	9,445,425
Business type Activities:						
Nonmajor Enterprise	1,423	-	32	1,455	-	1,455
	<u>\$ 1,423</u>	<u>9,445,425</u>	<u>32</u>	<u>9,446,880</u>	<u>199,064</u>	<u>9,645,944</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

The General Fund transferred rental income to the Nonmajor Enterprise, Community Service Fund.

Capital Projects Fund transferred to the Debt Service Fund to pay revenue bonds and capital loan notes.

The Nonmajor Enterprise, School Nutrition Fund transferred team nutrition grant revenue to reimburse expenses in the General Fund and Nonmajor Special Revenue, Student Activity Fund.

(5) Interfund Receivables and Payables

The detail of interfund receivables and payables for the year ended June 30, 2012 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Special Revenue Fund: Student Activity	\$ 29,611
General Fund	Capital Projects Fund: Physical Plant and Equipment Levy	12,076
Nonmajor Special Revenue Fund: Student Activity	General Fund	37
		<u>\$ 41,724</u>

The Student Activity Fund is repaying the General Fund for payroll expenses paid that were not transferred during the year.

The Physical Plant and Equipment Levy Fund is repaying the General Fund for disbursements that were voided and corrected during the year.

The General Fund is repaying the Activity Fund for a deposit that was placed in the incorrect bank account.

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012

(6) Capital Assets

Capital assets activity for the year ended June 30, 2012 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,510,945	2,863,600	-	8,374,545
Construction in progress	1,284,043	11,485,269	-	12,769,312
Total capital assets not being depreciated	<u>6,794,988</u>	<u>14,348,869</u>	<u>-</u>	<u>21,143,857</u>
Capital assets being depreciated:				
Buildings and building improvements	155,730,259	935,559	-	156,665,818
Land improvements	6,875,127	325,080	-	7,200,207
Machinery and equipment	4,075,995	505,197	-	4,581,192
Total capital assets being depreciated	<u>166,681,381</u>	<u>1,765,836</u>	<u>-</u>	<u>168,447,217</u>
Less accumulated depreciation for:				
Buildings and building improvements	17,959,442	3,126,894	-	21,086,336
Land improvements	2,071,217	348,092	-	2,419,309
Machinery and equipment	1,934,479	452,750	-	2,387,229
Total accumulated depreciation	<u>21,965,138</u>	<u>3,927,736</u>	<u>-</u>	<u>25,892,874</u>
Total capital assets being depreciated, net	<u>144,716,243</u>	<u>(2,161,900)</u>	<u>-</u>	<u>142,554,343</u>
Governmental activities capital assets, net	<u>\$ 151,511,231</u>	<u>12,186,969</u>	<u>-</u>	<u>163,698,200</u>
Business type activities:				
Machinery and equipment	\$ 2,901,252	101,318	-	3,002,570
Less accumulated depreciation	1,187,314	206,891	-	1,394,205
Business-type activities capital assets, net	<u>\$ 1,713,938</u>	<u>(105,573)</u>	<u>-</u>	<u>1,608,365</u>
Depreciation expense was charged by the District as follows:				
Governmental activities:				
Instruction:				
Regular				\$ 337,430
Support services:				
Student services				210
Instructional staff services				6,017
Administration				8,910
Operation and maintenance of plant				77,430
Transportation				22,753
				452,750
Unallocated				3,474,986
Total depreciation expense - governmental activities				<u>\$ 3,927,736</u>
Business type activities:				
Food services				\$ 198,674
Community Daycare				8,217
				<u>\$ 206,891</u>

**Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012**

(7) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2012 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Capital loan notes	\$ 8,285,000	4,050,000	1,535,000	10,800,000	2,585,000
Revenue bonds	8,680,000	22,335,000	8,680,000	22,335,000	3,000,000
General obligation bonds	96,445,000	18,390,000	4,370,000	110,465,000	4,950,000
Bond discounts, net of amortization	(102,306)	(503,640)	(17,110)	(588,836)	(17,110)
Bond issuance costs, net of amortization	(154,779)	-	(13,523)	(141,256)	(13,523)
Bond premiums, net of amortization	605,914	1,662,739	93,484	2,175,169	93,484
Early retirement	580,959	-	134,206	446,753	121,171
Other post employment benefits payable	1,628,968	575,659	-	2,204,627	-
Compensated absences	187,591	188,831	187,591	188,831	188,831
Total governmental activities	116,156,347	46,698,589	14,969,648	147,885,288	10,907,853
Business type activities:					
Other post employment benefits payable	198,032	69,982	-	268,014	-
Compensated absences	11,558	14,535	11,558	14,535	14,535
Total business type activities	209,590	84,517	11,558	282,549	14,535
Total primary government	\$ 116,365,937	46,783,106	14,981,206	148,167,837	10,922,388

Capital Loan Notes Payable

The district issued \$15 million on February 1, 2006 in capital loan notes for the capital building and equipment purchases for the High School addition project, Maple Grove Elementary building project and Administration Building addition project. The district issued \$4,050,000 on February 28, 2012 in capital loan notes for the capital building and equipment purchases of the High School addition project. The capital loan notes will be repaid using property tax collected in the Capital Projects, Physical Plant and Equipment Levy Fund. Details of the District's June 30, 2012 capital loan note indebtedness are as follows:

Year Ending June 30,	Capital Loan Note of February 1, 2006			Capital Loan Note of February 28, 2012		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2013	3.75%	\$ 1,590,000	266,025	2.00%	995,000	127,721
2014	4.00%	1,655,000	206,400	2.00%	1,005,000	101,600
2015	4.00%	1,720,000	140,200	3.00%	1,020,000	61,500
2016	4.00%	1,785,000	71,400	3.00%	1,030,000	30,900
Total		\$ 6,750,000	684,025		4,050,000	321,721
Total						
		Principal	Interest	Total		
		2,585,000	393,746	2,978,746		
		2,660,000	308,000	2,968,000		
		2,740,000	201,700	2,941,700		
		2,815,000	102,300	2,917,300		
		10,800,000	1,005,746	11,805,746		

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012

(7) *Long-Term Liabilities (continued from previous page)*

Revenue Bonds

The district issued \$18,900,000 on March 1, 2007 in revenue bonds for the capital facility construction of Maple Grove Elementary and South Middle School. During the year ended June 30, 2012, the district advanced refunded \$5,900,000 of the March 1, 2007 revenue bond and issued \$22,335,000 on June 19, 2012 in revenue bonds. The revenue bond proceeds will be used for the capital facility construction of Woodland Hills Elementary. The revenue bonds will be repaid using statewide sales, service and use tax collected in the Capital Projects, Statewide Sales, Services and Use Tax Fund. Details of the District's June 30, 2012 revenue bond indebtedness is as follows:

Year Ending June 30,	Bond Issue of June 19, 2012			
	Interest Rates	Principal	Interest	Total
2013	2.00%	\$ 3,000,000	647,948	3,647,948
2014	2.00%	3,180,000	622,050	3,802,050
2015	3.00%	900,000	558,450	1,458,450
2016	3.00%	910,000	531,450	1,441,450
2017	3.00%	925,000	504,150	1,429,150
2018-2022	3.00%	4,960,000	2,091,900	7,051,900
2023-2027	3.00-4.00%	5,810,000	1,233,200	7,043,200
2028-2029	4.00%	2,650,000	160,000	2,810,000
Total		\$ 22,335,000	6,349,148	28,684,148

The district has pledged future statewide sales, services and use tax revenues to repay the \$22,335,000 bonds issued June 19, 2012. The statewide sales, services and use tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenue received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. The total principal and interest remaining to be paid on the bonds is \$28,684,148. For the current year, principal and interest of \$3,265,917 was paid on the bonds and total statewide sales and services tax revenues were \$5,170,073.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) \$2,115,350 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all of the revenue bond provisions during the year ended June 30, 2012.

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012

(7) *Long-Term Liabilities (continued from previous page)*

General Obligation Bonds

During the year ended June 30, 2004 the district issued General Obligation Bonds of \$9,175,000 for capital facility construction. During the year ended June 30, 2005 the district issued General Obligation Bonds of \$11,390,000 for capital facility construction. During the year ended June 30, 2007 the district issued refunding General Obligation Bonds of \$4,435,000 to refinance bonds at lower interest rates that were originally issued for capital facility construction. During the year ended June 30, 2008 the district issued refunding General Obligation Bonds of \$7,165,000 to refinance bonds at lower interest rates that were originally issued for capital facility construction. During the year ended June 30, 2008 the district issued General Obligation Bonds of \$10,000,000 for capital facility construction. During the year ended June 30, 2009 the district issued General Obligation Bonds of \$50,000,000 for capital facility construction. During the year ended June 30, 2010 the district issued refunding General Obligation Bonds of \$2,395,000 to refinance bonds at lower interest rates that were originally issued for capital facility construction. During the year ended June 30, 2010 the district issued refunding General Obligation Bonds of \$15,915,000 to refinance bonds at lower interest rates that were originally issued for capital facility construction. During the year ended June 30, 2012 the district issued General Obligation Bonds of \$10,000,000 for capital facility construction for the High School addition project. During the year ended June 30, 2012 the district issued refunding General Obligation Bonds of \$8,390,000 to refinance bonds at lower interest rates that were originally issued for capital facility construction. Details of the District's June 30, 2012 general obligation bonded indebtedness are as follows:

Year Ending June 30,	June 1, 2004 Issue			February 1, 2005 Issue		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2013	4.00%	\$ 100,000	366,700	3.30%	\$ 300,000	147,337
2014	4.00%	105,000	362,700	3.40%	300,000	137,438
2015	3.80%	110,000	358,500	3.50%	300,000	127,237
2016	3.90%	115,000	354,320	3.60%	300,000	116,738
2017	4.00%	110,000	349,835	3.70%	325,000	105,937
2018-2022	4.15-4.40%	2,345,000	1,652,425	3.80-4.05%	1,650,000	343,463
2023-2027	4.40-4.50%	5,440,000	416,690	4.10-4.15%	700,000	43,400
2028		-	-		-	-
Total		\$ 8,325,000	3,861,170		\$ 3,875,000	1,021,550

Year Ending June 30,	March 1, 2005 Issue			July 1, 2006 Refunding Bond Issue		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2013	3.45%	\$ 680,000	100,050	4.25%	\$ 305,000	155,338
2014	3.45%	705,000	76,590	4.25%	320,000	142,375
2015	3.45%	745,000	52,267	4.25%	200,000	128,775
2016	3.45%	770,000	26,565	4.25%	230,000	120,275
2017		-	-	4.25%	855,000	110,500
2018-2022		-	-	4.25%	1,745,000	111,987
2023-2027		-	-		-	-
2028		-	-		-	-
Total		\$ 2,900,000	255,472		\$ 3,655,000	769,250

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012

(7) Long-Term Liabilities
General Obligation Bonds (continued from previous page)

Year Ending June 30,	April 1, 2008 Refunding Bond Issue			April 1, 2008 Issue		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2013	3.25%	\$ 750,000	211,250	3.50%	\$ 285,000	248,371
2014	3.50%	785,000	185,000	3.50%	300,000	238,396
2015	3.50%	930,000	157,525	3.63%	315,000	227,896
2016	3.50%	945,000	124,975	3.50%	325,000	216,478
2017	3.75%	965,000	89,538	3.50%	340,000	205,102
2018-2022	3.50-4.00%	1,485,000	76,362	3.50-4.00%	1,955,000	823,714
2023-2027		-	-	3.70-4.00%	2,435,000	410,465
2028		-	-	4.00%	555,000	22,200
Total		\$ 5,860,000	844,650		\$ 6,510,000	2,392,622

Year Ending June 30,	May 1, 2009 Issue			July 23, 2009 Refunding Bond Issue		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2013	3.00%	\$ 1,200,000	2,020,581	3.85%	\$ 150,000	75,885
2014	4.00%	1,285,000	1,984,581	3.85%	150,000	70,110
2015	3.50%	1,335,000	1,933,181	3.85%	150,000	64,335
2016	3.50%	1,385,000	1,886,456	3.85%	155,000	58,560
2017	4.00%	1,445,000	1,837,981	3.85%	200,000	52,592
2018-2022	4.00%	7,935,000	8,283,905	3.85-4.00%	1,130,000	102,892
2023-2027	4.125-5.00%	23,485,000	5,890,406		-	-
2028	5.00%	7,280,000	364,000		-	-
Total		\$ 45,350,000	24,201,091		\$ 1,935,000	424,374

Year Ending June 30,	April 1, 2010 Refunding Bond Issue			July 13, 2011 Issue		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2013	3.00%	\$ 470,000	449,650	0.60%	\$ 710,000	199,497
2014	2.00%	480,000	435,550	0.80%	720,000	195,238
2015	2.00%	490,000	425,950	1.10%	735,000	189,477
2016	3.00%	505,000	416,150	1.50%	745,000	181,392
2017	3.00%	685,000	401,000	1.75%	765,000	170,218
2018-2022	3.00-3.50%	9,285,000	1,451,075	2.00-2.75%	4,170,000	607,280
2023-2027	3.50%	2,020,000	70,700	3.00-3.10%	1,885,000	87,270
2028		-	-		-	-
Total		\$ 13,935,000	3,650,075		\$ 9,730,000	1,630,372

**Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012**

(7) *Long-Term Liabilities*
General Obligation Bonds (continued from previous page)

Year Ending June 30,	June 5, 2012 Refunding Bond Issue			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2013	3.00%	\$ -	248,903	\$ 4,950,000	4,223,562	9,173,562
2014	3.00%	-	251,700	5,150,000	4,079,678	9,229,678
2015	3.00%	185,000	251,700	5,495,000	3,916,843	9,411,843
2016	3.00%	190,000	246,150	5,665,000	3,748,059	9,413,059
2017	3.00%	190,000	240,450	5,880,000	3,563,153	9,443,153
2018-2022	3.00%	2,630,000	1,097,700	34,330,000	14,550,803	48,880,803
2023-2027	3.00%	5,195,000	265,200	41,160,000	7,184,131	48,344,131
2028		-	-	7,835,000	386,200	8,221,200
Total		\$ 8,390,000	2,601,803	\$ 110,465,000	41,652,429	152,117,429

Early Retirement

The District offers a voluntary early retirement plan to its employees. Eligible employees must be at least 55 years old on June 30 and employees must have completed 10 years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement incentive for each eligible employee is equal to 50% of the current year's salary. In addition, the District will pay an amount equal to \$4,500 per year towards the cost of medical insurance until the employee becomes eligible for Medicare. The early retirement cash benefits will be paid in July following the start of retirement into a tax shelter annuity of the employer's choice. Early retirement benefits are paid by the Special Revenue, Management Levy Fund.

At June 30, 2012, the District has obligations to 37 participants with a total liability of \$446,753. Actual early retirement expenditures for the year ended June 30, 2012 totaled \$121,171. The early retirement is recorded as a long-term liability of the governmental activities in the government-wide financial statements.

(8) **Advance Refunding**

On June 19, 2012, the District used the balance \$1,890,000, which was reserved from the \$18,900,000 issue dated March 1, 2007, to advance refunded sales tax bonds in the amount of \$5,900,000. This advance refunding was undertaken to reduce total debt service payments over the next 2 years by \$1,581,972 resulted in an economic gain of \$139,451. These 2007 existing bonds were called by the District on June 19, 2012 and paid in their entirety.

On June 5, 2012, the District issued \$8,390,000 in general obligation bonds to advance refund \$8,120,000 of outstanding general obligation bonds dated June 1, 2004. The proceeds of the refunding issue have been placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. The new advance refunding bonds have been added to the appropriate financial statements and schedules. The district remains contingently liable in the remote possibility the account is insufficient to pay the refunding bonds. At June 30, 2012, \$8,120,000 of such bonds is outstanding. The district remains liable for the interest on the callable portion of the bonds though fiscal year end 2014. The escrow funds pays interest on the new advance refunding bonds until that time. No advance payments on the June 1, 2004 general obligation bonds were paid in the current year and final payment to pay off these bonds is expected to take place June 1, 2014. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$760,570 and resulted in an economic gain of \$615,914.

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012

(9) Operating Lease

The District is obligated under an equipment lease for one truck. This lease is accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations and therefore are not included as capital assets or long-term liabilities in the District-wide financial statements. The agreement provides for monthly lease payments of \$473 for the truck.

The total annual lease payments under the lease agreement are as follows:

Year ending June 30,	Truck Lease
2013	\$ 473
	\$ 473

The total payments under the lease agreement for the year ended June 30, 2012 were \$5,676.

(10) Other Post-Employment Benefits (OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 687 active and 37 retired members in the plan. Participants must be age 55 or older at retirement and must have been employed full time by the District for a minimum of 15 consecutive years prior to the retirement year.

The medical/prescription drug coverage provides eligible retirees with health care coverage through one of two medical plans offered through Wellmark: Blue Access HMO and Alliance Select PPO. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the years ended June 30, 2012, 2011 and 2010 the amount actually contributed to the plan and changes in the District's net OPEB obligation:

	2012	2011	2010
Annual required contribution	\$ 1,042,000	1,042,000	628,000
Interest on net OPEB obligation	82,215	48,000	26,600
Adjustment to annual required contribution	(85,574)	(41,000)	(20,352)
Annual OPEB cost	1,038,641	1,049,000	634,248
Contributions made	(393,000)	(292,248)	(96,000)
Increase in net OPEB obligation	645,641	756,752	538,248
Net OPEB obligation beginning of year	1,827,000	1,070,248	532,000
Net OPEB obligation end of year	\$ 2,472,641	1,827,000	1,070,248

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2010. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2012.

For the year ended June 30, 2012, the District contributed \$393,000. Retiree and active members receiving benefits contributed \$84,006 through their required contribution based on which plan the employee belongs to and whether single or family coverage is elected.

Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012

(10) *Other Post-Employment Benefits (OPEB)* (continued from previous page)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2012 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 634,248	15.14%	\$ 1,070,248
June 30, 2011	1,049,000	27.86%	1,827,000
June 30, 2012	1,038,641	37.84%	2,472,641

Funded Status and Funding Progress - As of July 1, 2010, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2012, the actuarial accrued liability was \$5,253,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,253,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$37,224,617, and the ratio of the UAAL to covered payroll was 14.1%. As of June 30, 2012, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2010 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumption includes a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 11%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2010 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2010.

The District will pay an amount not to exceed \$4,500 per year toward the cost of the single medical insurance premium. Premium amounts in excess of \$4,500 annually will be the responsibility of the retiree. This allowance is available each year until the employee becomes eligible for Medicare. Employees may not choose to receive the insurance allowance in cash in lieu of medical coverage.

There are currently 33 grandfathered retirees receiving a subsidy for the District under different retirement provisions. Below is a description of the monthly subsidy levels by retirement year paid by the District.

Date Retired	HMO	PPO
Through 6/30/06	100% of current premium	100% of current premium
7/1/06 thru 6/30/07	\$ 270.46	\$ 338.71
7/1/07 thru 6/30/08	265.05	331.94
7/1/08 thru 6/30/09	261.96	339.45

The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(11) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 5.38% of their annual covered salary and the District is required to contribute 8.07% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2012, 2011 and 2010 were \$3,040,240, \$2,389,224, and \$2,168,869, respectively, equal to the required contributions for each year.

(12) Risk Management

Waukee Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. During the year ended June 30, 2012, there were no significant reductions in coverage. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Partial Self-Funded Dental Insurance Plan

The District began a partial self-funded dental insurance plan during the year ended June 30, 2005. The plan is administered through a service agreement with Seabury and Smith. The District assumes liability for a maximum of the first \$1,000 of dental claims for each employee who participates in the plan. Employees participating in the plan are charged a premium each year to cover any estimated costs of the plan. The District reports the plan in the Internal Service, Self-Funded Dental Plan Fund. There was no claims liability at June 30, 2012.

A reconciliation of changes in the aggregate liabilities for claims for year ending is as follows:

	2012	2011
Unpaid claims at beginning of year	\$ -	-
Incurred claims	240,360	226,255
Payment	240,360	226,255
Unpaid claims at end of year	<u>\$ -</u>	<u>-</u>

(13) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$2,573,444 for the year ended June 30, 2012 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(14) Construction Commitments

The District has active construction projects as of June 30, 2012. The projects include construction on High School addition project, Waukee Middle School parking lot and the new 8-9 Timberline building project. At the end of the year, the District paid \$12,769,312 with \$3,220,368 of outstanding contract agreements to be paid upon completion of the capital projects.

(15) Disaggregation of Receivables and Payables

Receivables and payables are disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the next year.

**Waukee Community School District
Notes to Financial Statements
Year Ended June 30, 2012**

(16) Due from Other Governments

Amount due from other governments by Fund as of June 30, 2012 are as follows:

	Governmental Activities				Business type	Grand Total
	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Activities	
					Nonmajor Enterprise Funds	
Local sources:						
Tuition	\$ 328,517	-	-	-	-	328,517
Statewide sales, services and use tax	-	851,331	-	-	-	851,331
Rent	902	-	-	-	-	902
	<u>329,419</u>	<u>851,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,180,750</u>
State sources:						
Non-public transportation	168,777	-	-	-	-	168,777
District court claim	4,480	-	-	-	-	4,480
Foster care special ed claim	10,611	-	-	-	-	10,611
Vocational aid	2,597	-	-	-	-	2,597
Child care reimbursement	-	-	-	-	230	230
Military credit	878	118	229	32	-	1,257
	<u>187,343</u>	<u>118</u>	<u>229</u>	<u>32</u>	<u>230</u>	<u>187,952</u>
Federal sources:						
Title I	42,698	-	-	-	-	42,698
Advance placement program	308	-	-	-	-	308
Title III	1,833	-	-	-	-	1,833
Title IIA	36,432	-	-	-	-	36,432
Title VIA	8,476	-	-	-	-	8,476
Medicaid	53,777	-	-	-	-	53,777
	<u>143,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,524</u>
Total due from other governments	<u>\$ 660,286</u>	<u>851,449</u>	<u>229</u>	<u>32</u>	<u>230</u>	<u>1,512,226</u>

(17) Budget Overexpenditure

Per the Code of Iowa, expenditures may not legally exceed budgeted appropriations at the functional area level. During the year ended June 30, 2012, expenditures in the instruction, non-instructional programs and other expenditures functions exceeded the amount budgeted.

(18) Deficit Net Assets

The District had deficit unrestricted net assets in the Nonmajor Enterprise, Community Services Fund of \$7,744.

(19) Restricted Categorical Funds

The District's restricted fund balance for categorical funds at June 30, 2011 is comprised of the following programs:

Program	Amount
Dropout and dropout prevention	\$ 929,862
Beginning teacher mentoring and induction program	4,945
Salary improvement program	6,994
Educator quality, model core curriculum	100,786
Educator quality, professional development	7,349
Textbook aid for nonpublic students	3,105
Total categorical funding	<u>\$ 1,053,041</u>

(20) New Pronouncements

As of June 30, 2012, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, issued November 2010, will be effective for the District with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnerships.

GASB Statement No 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34 issued November 2010 will be effective for the District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for governmental financial reporting entities by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity.

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, issued January 2011, will be effective for the District beginning with its year ending June 30, 2013. This statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, issued July 2011, will be effective for the District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statement in the future.

GASB Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions, Issued in June 2011, will be effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, issued March 2012, will be effective for the District beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency financial reporting.

GASB Statement No. 66, Technical Corrections - 2012 - an Amendment of GASB Statements No. 10 and No. 62, issued March 2012, will be effective for the District beginning with its year ending June 30, 2013. This Statement resolves conflicting account and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports.

GASB Statement No. 67, Financial Report for Pension Plans - an Amendment of GASB Statement No. 25, issued June 2012, will be effective for the District beginning with its year ending June 30, 2014. This Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope. The new information will enhance the decision-usefulness of the financial reports of these pension plans, their value for assessing accountability, and their transparency by providing information about measures of net pension liabilities and explanations of how and why those liabilities changed from year to year. The net pension liability information, including ratios, will offer an up-to-date indication of the extent to which the total pension liability is covered by the fiduciary net position of the pension plan. The comparability of the reported information for similar types of pension plans will be improved by the changes related to the attribution method used to determine the total pension liability. The contribution schedule will provide measures to evaluate decisions related to the assessment of contribution rates in comparison to actuarially determined rates, when such rates are determined. In that circumstance, it also will provide information about whether employers and nonemployer contributing entities, if applicable, are keeping pace with actuarially determined contribution measures. In addition, new information about rates of return on pension plan investments will inform financial report users about the effects of market conditions on the pension plan's assets over time and provide information for users to assess the relative success of the pension plan's investment strategy and the relative contribution that investment earnings provide to the pension plan's ability to pay benefits to plan members when they come due. resolves conflicting account and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports.

(20) *New Pronouncements*
GASB Statement No. 67 (continued from previous page)

GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27, issued June 2012, will be effective for the District beginning with its year ending June 30, 2014. This Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information, as follows:

- More robust disclosures of assumptions will allow for better informed assessments of the reasonableness of pension measurements.
- Explanations of how and why the net pension liability changed from year to year will improve transparency.
- The summary net pension liability information, including ratios, will offer an indication of the extent to which the total pension liability is covered by resources held by the pension plan.
- The contribution schedules will provide measures to evaluate decisions related to the assessment of contribution rates—in comparison to actuarially, statutorily, or contractually determined rates, when such rates are determined. It also will provide information about whether employers and nonemployer contributing entities, if applicable, are keeping pace with those contribution rates.

The consistency and transparency of the information reported by employers and governmental nonemployer contributing entities about pension transactions will be improved by requiring:

- The use of a discount rate that considers the availability of the pension plan's fiduciary net position associated with the pensions of current active and inactive employees and the investment horizon of those resources, rather than utilizing only the long-term expected rate of return regardless of whether the pension plan's fiduciary net position is projected to be sufficient to make projected benefit payments and is expected to be invested using a strategy to achieve that return
- A single method of attributing the actuarial present value of projected benefit payments to periods of employee service, rather than allowing a choice among six methods with additional variations
- Immediate recognition in pension expense, rather than a choice of recognition periods, of the effects of changes of benefit terms and the effects of projected pension plan investment earnings
- Recognition of pension expense that incorporates deferred outflows of resources and deferred inflows of resources related to pensions over a defined, closed period, rather than a choice between an open or closed period.

The comparability of reported pension information also will be improved by the changes related to the attribution method used to determine service cost and the total pension liability, requirements for immediate recognition in pension expense of certain items, and the establishment of standardized expense recognition periods for amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions.



Required Supplementary Information

Waukee Community School District
Schedule or Funding Progress for the Retiree Health Plan
Required Supplementary Information
Year ended June 30, 2012

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2008	\$ -	4,313,000	4,313,000	0.0%	30,666,502	14.1%
2011	July 1, 2010	-	5,253,000	5,253,000	0.0%	31,893,162	16.5%
2012	July 1, 2010	-	5,253,000	5,253,000	0.0%	37,224,617	14.1%

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

Waukee Community School District
Budgetary Comparison Statement of Revenues, Expenditures and Changes in Balances
Budget and Actual - All Governmental Funds and Proprietary Funds
Required Supplementary Information
Year ended June 30, 2012

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance- Positive (Negative)
Revenues:					
Local sources	\$ 49,758,705	3,769,357	53,528,062	52,294,688	1,233,374
State sources	31,651,321	27,809	31,679,130	34,831,634	(3,152,504)
Federal sources	1,160,750	836,213	1,996,963	1,680,000	316,963
Total revenues	<u>82,570,776</u>	<u>4,633,379</u>	<u>87,204,155</u>	<u>88,806,322</u>	<u>(1,602,167)</u>
Expenditures:					
Instruction	41,739,086	-	41,739,086	40,000,000	(1,739,086)
Support services	17,892,801	127,696	18,020,497	27,399,300	9,378,803
Noninstructional programs	-	4,622,747	4,622,747	3,650,000	(972,747)
Other expenditures	38,378,451	-	38,378,451	38,321,287	(57,164)
Total expenditures	<u>98,010,338</u>	<u>4,750,443</u>	<u>102,760,781</u>	<u>109,370,587</u>	<u>6,609,806</u>
Deficiency of revenues under expenditures	(15,439,562)	(117,064)	(15,556,626)	(20,564,265)	5,007,639
Other financing sources (uses), net	45,736,490	197,609	45,934,099	10,000,000	35,934,099
Excess (deficiency) of revenues and other financing sources over (under) expenditures	30,296,928	80,545	30,377,473	(10,564,265)	40,941,738
Balances beginning of year	<u>27,986,555</u>	<u>3,638,216</u>	<u>31,624,771</u>	<u>26,026,168</u>	<u>5,598,603</u>
Balances end of year	<u>\$ 58,283,483</u>	<u>3,718,761</u>	<u>62,002,244</u>	<u>15,461,903</u>	<u>46,540,341</u>

See accompanying independent auditor's report.

(1) Basis of Presentation

The District operates within the budget requirements for school districts as specified by state law and as prescribed by the Iowa Department of Management. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

For the fiscal year beginning July 1, a proposed budget is adopted by the Board and filed with the County Auditor no later than April 15. The budget is certified by the County Auditor to the Department of Management.

Once adopted, the budget can be amended by the Board. The amendment must be published and a public hearing conducted prior to the amendment. Any amendments must be certified to the County Auditor no later than May 31. The proposed expenditure budget is advertised in the local newspaper, together with a notice of public hearing.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for a budgeted governmental and enterprise funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, non-instructional programs and other expenditures. During the year ended June 30, 2012, the District over-expended the instruction functional area by \$1,739,086; the non-instructional functional area by \$972,747, and the other expenditures functional area by \$57,164. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations, as adopted and amended, lapse at the end of the fiscal year.

The District is required by the Code of Iowa to budget for its share of media, education services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$2,573,444 for the year ended June 30, 2012.

Other Supplementary Information

Waukee Community School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2012

	Special Revenue		
	Management	Student Activity	Total
Assets			
Current assets:			
Cash and pooled investments	\$ 3,203,305	579,165	3,782,470
Receivables:			
Property tax:			
Delinquent	6,141	-	6,141
Succeeding year	1,500,002	-	1,500,002
Interfund	-	37	37
Accounts	-	48,656	48,656
Due from other governments	32	-	32
Total assets	\$ 4,709,480	627,858	5,337,338
Liabilities and Fund Balances			
Current liabilities:			
Interfund payable	\$ -	29,611	29,611
Accounts payable	931	86,338	87,269
Deferred revenue:			
Succeeding year property tax	1,500,002	-	1,500,002
Total liabilities	1,500,933	115,949	1,616,882
Fund balances:			
Restricted for:			
Management levy purposes	3,208,547	-	3,208,547
Student activities	-	511,909	511,909
Total fund balances	3,208,547	511,909	3,720,456
Total liabilities and fund balances	\$ 4,709,480	627,858	5,337,338

See accompanying independent auditor's report.

Schedule 2

Waukee Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year ended June 30, 2012

	Special Revenue		
	Management	Student Activity	Total
Revenues:			
Local sources:			
Local tax	\$ 997,243	-	997,243
Other	57,532	917,945	975,477
State sources	176	-	176
Total revenues	<u>1,054,951</u>	<u>917,945</u>	<u>1,972,896</u>
Expenditures:			
Current:			
Instruction:			
Regular	354,173	-	354,173
Other	-	953,175	953,175
Total instruction	<u>354,173</u>	<u>953,175</u>	<u>1,307,348</u>
Support services			
Administration	5,212	-	5,212
Operation and maintenance of plant	263,367	-	263,367
Total support services	<u>268,579</u>	<u>-</u>	<u>268,579</u>
Total expenditures	<u>622,752</u>	<u>953,175</u>	<u>1,575,927</u>
Excess (deficiency) of revenues over (under) expenditures	432,199	(35,230)	396,969
Other financing sources:			
Transfers in	-	32	32
Total other financing sources	<u>-</u>	<u>32</u>	<u>32</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	432,199	(35,198)	397,001
Fund balances beginning of year	<u>2,776,348</u>	<u>547,107</u>	<u>3,323,455</u>
Fund balances end of year	<u>\$ 3,208,547</u>	<u>511,909</u>	<u>3,720,456</u>

See accompanying independent auditor's report.

Schedule 3

**Waukee Community School District
Combining Balance Sheet
Capital Project Accounts
June 30, 2012**

	Capital Projects			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Assets				
Cash and pooled investments	\$ 25,487,801	6,723,336	708,931	32,920,068
Receivables:				
Property tax:				
Delinquent	-	25,317	-	25,317
Succeeding year	-	4,671,446	-	4,671,446
Accounts	-	-	492	492
Due from other governments	851,331	118	-	851,449
Total assets	\$ 26,339,132	11,420,217	709,423	38,468,772
Liabilities and Fund Balances				
Liabilities:				
Interfund payable	\$ -	12,076	-	12,076
Accounts payable	27,699	64,129	365,557	457,385
Deferred revenue:				
Succeeding year property tax	-	4,671,446	-	4,671,446
Total liabilities	27,699	4,747,651	365,557	5,140,907
Fund balances:				
Restricted for:				
Debt service	2,115,350	-	-	2,115,350
School infrastructure	24,196,083	-	343,866	24,539,949
Physical plant and equipment	-	6,672,566	-	6,672,566
Total fund balances	26,311,433	6,672,566	343,866	33,327,865
Total liabilities and fund balances	\$ 26,339,132	11,420,217	709,423	38,468,772

See accompanying independent auditor's report.

Schedule 4

Waukee Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Project Accounts
Year ended June 30, 2012

	Capital Projects			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Revenues:				
Local sources:				
Local tax	\$ 5,170,073	4,390,858	-	9,560,931
Other	8,952	4,228	7,046	20,226
State sources	-	679	-	679
Total revenues	<u>5,179,025</u>	<u>4,395,765</u>	<u>7,046</u>	<u>9,581,836</u>
Expenditures:				
Current:				
Support services:				
Administration	90,269	591,973	69,522	751,764
Total support services	<u>90,269</u>	<u>591,973</u>	<u>69,522</u>	<u>751,764</u>
Other expenditures:				
Facilities acquisition	1,388,098	4,169,943	10,780,480	16,338,521
Total other expenditures	<u>1,388,098</u>	<u>4,169,943</u>	<u>10,780,480</u>	<u>16,338,521</u>
Total expenditures	<u>1,478,367</u>	<u>4,761,916</u>	<u>10,850,002</u>	<u>17,090,285</u>
Excess (deficiency) of revenues over (under) expenditures	3,700,658	(366,151)	(10,842,956)	(7,508,449)
Other financing sources (uses):				
Issuance of revenue bonds	22,335,000	-	-	22,335,000
Issuance of capital loan notes	-	4,050,000	-	4,050,000
Issuance of general obligation bonds	-	-	10,000,000	10,000,000
Premium on the issuance of debt	1,065,887	220,022	-	1,285,909
Discount on the issuance of debt	(268,616)	(18,394)	(79,000)	(366,010)
Transfers out	(7,588,756)	(1,856,669)	-	(9,445,425)
Total other financing sources	<u>15,543,515</u>	<u>2,394,959</u>	<u>9,921,000</u>	<u>27,859,474</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	19,244,173	2,028,808	(921,956)	20,351,025
Fund balances beginning of year	<u>7,067,260</u>	<u>4,643,758</u>	<u>1,265,822</u>	<u>12,976,840</u>
Fund balances end of year	<u>\$ 26,311,433</u>	<u>6,672,566</u>	<u>343,866</u>	<u>33,327,865</u>

See accompanying independent auditor's report.

Waukee Community School District
Combining Schedule of Net Assets
Proprietary Funds
June 30, 2012

	Business Type Activities				Governmental Activities		
	Nonmajor Enterprise Funds				Internal Service Funds		
	School Nutrition	Community Daycare	Community Education	Total	Flexible Benefits	Self-funded Dental Plan	Total
Assets							
Current assets:							
Cash and pooled investments	\$ 1,477,084	955,615	6,027	2,438,726	37,606	205,635	243,241
Receivables:							
Accounts	-	9,112	899	10,011	-	-	-
Due from other governments	-	230	-	230	-	-	-
Inventories	47,905	8,044	-	55,949	-	-	-
Total current assets	1,524,989	973,001	6,926	2,504,916	37,606	205,635	243,241
Noncurrent assets:							
Capital assets:							
Machinery and equipment	2,942,947	59,623	-	3,002,570	-	-	-
Accumulated depreciation	(1,374,073)	(20,132)	-	(1,394,205)	-	-	-
Total noncurrent assets	1,568,874	39,491	-	1,608,365	-	-	-
Total assets	3,093,863	1,012,492	6,926	4,113,281	37,606	205,635	243,241
Liabilities							
Current liabilities:							
Accounts payable	7,763	16,397	4,945	29,105	-	-	-
Salaries and benefits payable	1,717	23,487	2,096	27,300	-	-	-
Unearned revenue	55,566	-	-	55,566	-	-	-
Compensated absences	5,288	7,382	1,865	14,535	-	-	-
Total current liabilities	70,334	47,266	8,906	126,506	-	-	-
Long-term liabilities:							
Other post employment benefits payable	175,794	86,456	5,764	268,014	-	-	-
Total long-term liabilities	175,794	86,456	5,764	268,014	-	-	-
Total liabilities	246,128	133,722	14,670	394,520	-	-	-
Net Assets							
Investment in capital assets	1,568,874	39,491	-	1,608,365	-	-	-
Unrestricted	1,278,861	839,279	(7,744)	2,110,396	37,606	205,635	243,241
Total net assets	\$ 2,847,735	878,770	(7,744)	3,718,761	37,606	205,635	243,241

See accompanying independent auditor's report.

Waukee Community School District
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year ended June 30, 2012

	Business Type Activities				Governmental Activities		
	Nonmajor Enterprise Funds				Internal Service Funds		
	School Nutrition	Community Daycare	Community Education	Total	Flexible Benefits	Self-funded Dental Plan	Total
Operating revenue:							
Local sources:							
Charges for services	\$ 2,572,612	1,081,982	113,230	3,767,824	447,354	275,698	723,052
Operating expenses:							
Support services:							
Administration:							
Purchased services	5,840	25,371	53,265	84,476	-	-	-
Operation and maintenance of plant:							
Purchased services	23,681	-	-	23,681	-	-	-
Supplies	3,705	-	-	3,705	-	-	-
	27,386	-	-	27,386	-	-	-
Transportation:							
Purchased services	-	15,834	-	15,834	-	-	-
Total support services	33,226	41,205	53,265	127,696	-	-	-
Non-instructional programs:							
Food service operations:							
Salaries	1,135,274	-	-	1,135,274	-	-	-
Benefits	441,419	-	-	441,419	-	-	-
Purchased services	119,364	-	-	119,364	-	-	-
Supplies	1,597,330	-	-	1,597,330	-	-	-
Other	4,018	-	-	4,018	-	-	-
Depreciation	198,674	-	-	198,674	-	-	-
	3,496,079	-	-	3,496,079	-	-	-
Other enterprise operations:							
Salaries	-	570,410	182,559	752,969	-	-	-
Benefits	-	149,761	39,134	188,895	502,058	240,360	742,418
Purchased services	-	644	3,073	3,717	-	-	-
Supplies	-	137,080	34,197	171,277	-	-	-
Other	-	1,593	-	1,593	-	-	-
Depreciation	-	8,217	-	8,217	-	-	-
	-	867,705	258,963	1,126,668	502,058	240,360	742,418
Total non-instructional programs	3,496,079	867,705	258,963	4,622,747	502,058	240,360	742,418
Total operating expenses	3,529,305	908,910	312,228	4,750,443	502,058	240,360	742,418
Operating income (loss)	(956,693)	173,072	(198,998)	(982,619)	(54,704)	35,338	(19,366)

Waukee Community School District
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year ended June 30, 2012

	Business Type Activities				Governmental Activities		
	Nonmajor Enterprise Funds				Internal Service Funds		
	School Nutrition	Community Daycare	Community Education	Total	Flexible Benefits	Self-funded Dental Plan	Total
<i>Continued from previous page</i>							
Non-operating revenues:							
Interest on investments	481	1,052	-	1,533	-	-	-
State sources	27,809	-	-	27,809	-	-	-
Federal sources	650,498	-	-	650,498	-	-	-
Federal food commodities revenue	185,715	-	-	185,715	-	-	-
Total non-operating revenues	864,503	1,052	-	865,555	-	-	-
Income (loss) before transfers	(92,190)	174,124	(198,998)	(117,064)	(54,704)	35,338	(19,366)
Transfers:							
Transfer in	-	-	199,064	199,064	-	-	-
Transfer out	(1,455)	-	-	(1,455)	-	-	-
Total transfers	(1,455)	-	199,064	197,609	-	-	-
Changes in net assets	(93,645)	174,124	66	80,545	(54,704)	35,338	(19,366)
Net assets beginning of year	2,941,380	704,646	(7,810)	3,638,216	92,310	170,297	262,607
Net assets end of year	\$ 2,847,735	878,770	(7,744)	3,718,761	37,606	205,635	243,241

See accompanying independent auditor's report.

Waukee Community School District
Combining Schedule of Cash Flows
Proprietary Funds
Year ended June 30, 2012

	Business Type Activities				Governmental Activities		
	Nonmajor Enterprise Funds				Internal Service Funds		
	School Nutrition	Community Daycare	Community Education	Total	Flexible Benefits	Self-funded Dental Plan	Total
Cash flows from operating activities:							
Cash received from sale of lunches and breakfasts	\$ 2,500,353	-	-	2,500,353	-	-	-
Cash received from miscellaneous operating activities	63,389	1,077,805	114,291	1,255,485	418,810	275,698	694,508
Cash payments to employees for services	(1,536,143)	(692,250)	(229,783)	(2,458,176)	(502,058)	(240,360)	(742,418)
Cash payments to suppliers for goods or services	(1,536,623)	(177,525)	(88,328)	(1,802,476)	-	-	-
Net cash provided (used) by operating activities	(509,024)	208,030	(203,820)	(504,814)	(83,248)	35,338	(47,910)
Cash flows from non-capital financing activities:							
Transfers	(1,455)	-	199,064	197,609	-	-	-
State grants received	27,809	-	-	27,809	-	-	-
Federal grants received	650,498	-	-	650,498	-	-	-
Net cash provided by non-capital financing activities	676,852	-	199,064	875,916	-	-	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(84,638)	(16,680)	-	(101,318)	-	-	-
Net cash used by capital and related financing activities	(84,638)	(16,680)	-	(101,318)	-	-	-
Cash flows from investing activities:							
Interest on investments	481	1,052	-	1,533	-	-	-
Net increase (decrease) in cash and cash equivalents	83,671	192,402	(4,756)	271,317	(83,248)	35,338	(47,910)
Cash and cash equivalents at beginning of year	1,393,413	763,213	10,783	2,167,409	120,854	170,297	291,151
Cash and cash equivalents at end of year	\$ 1,477,084	955,615	6,027	2,438,726	37,606	205,635	243,241
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (956,693)	173,072	(198,998)	(982,619)	(54,704)	35,338	(19,366)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Commodities used	185,715	-	-	185,715	-	-	-
Depreciation	198,674	8,217	-	206,891	-	-	-
Decrease (increase) in accounts receivable	-	(3,947)	(444)	(4,391)	34,393	-	34,393
Increase in due from other governments	-	(230)	-	(230)	-	-	-
Decrease (increase) in inventories	31,938	(3,408)	-	28,530	-	-	-
Increase (decrease) in accounts payable	(338)	6,405	2,207	8,274	(62,937)	-	(62,937)
Increase (decrease) in salaries and benefits payable	(6,095)	4,311	(9,289)	(11,073)	-	-	-
Decrease in unearned revenue	(8,870)	-	-	(8,870)	-	-	-
Increase in compensated absences payable	743	1,035	1,199	2,977	-	-	-
Increase in other post employment benefits payable	45,902	22,575	1,505	69,982	-	-	-
Net cash provided (used) by operating activities	\$ (509,024)	208,030	(203,820)	(504,814)	(83,248)	35,338	(47,910)
Non-cash investing, capital and financing activities:							
Noncapital financing activities, commodities received from the US Department of Agriculture	\$ 185,715	-	-	185,715	-	-	-

See accompanying independent auditor's report.

Waukee Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2012

Account	Balance Beginning of Year	Transfers	Revenues	Expenditures	Balance End of Year
High School:					
Alumni	\$ 12,040	-	-	12,040	-
Ambassadors	78	-	-	78	-
Art Club	1,878	-	369	2,243	4
Athletics	105,993	(90)	338,040	356,763	87,180
Auditorium	181	-	-	181	-
Baseball	9,078	-	6,881	8,062	7,897
Best Buddies	358	-	1,608	1,778	188
Boys Basketball	5,731	-	33,415	24,244	14,902
Boys Bowling	22	-	95	-	117
Boys Cross Country	7,905	-	6,504	10,751	3,658
Boys Golf	465	-	2,034	1,035	1,464
Boys Soccer	1,988	-	6,545	4,941	3,592
Boys Swimming	990	-	3,212	3,372	830
Boys Tennis	81	-	1,828	254	1,655
Boys Track	2,269	-	9,753	11,739	283
Cheerleaders	3,801	-	68,748	72,549	-
Class of 2009	587	217	-	804	-
Class of 2010	3,740	-	-	3,740	-
Class of 2011	5,223	(3,950)	-	1,273	-
Class of 2012	12,048	-	6,260	9,231	9,077
Class of 2013	9,968	-	6,839	378	16,429
Class of 2014	5,895	-	5,936	-	11,831
Class of 2015	-	-	4,680	-	4,680
Dance/Drill Team	16,208	-	51,632	47,123	20,717
Dance Troupe	-	-	1,670	828	842
Debate	200	595	-	795	-
Drama	2,195	-	3,942	4,969	1,168
Drumline	73	-	-	-	73
Earth Club	294	-	257	551	-
Electrathon	1,064	-	1,000	1,065	999
FCCLA Club	2,327	-	5,434	5,172	2,589
Flag Team/Color Guard	658	-	-	-	658
Football	10,186	-	71,750	61,608	20,328
Girls Basketball	4,807	-	16,327	16,634	4,500
Girls Bowling	808	-	379	410	777
Girls Cross Country	134	-	5,818	4,544	1,408
Girls Golf	656	-	969	869	756
Girls Soccer	5,374	-	4,186	6,284	3,276
Girls Swimming	561	-	1,068	959	670
Girls Tennis	25	-	968	775	218
Girls Track	19	-	4,319	2,647	1,691
Hitting Facility	1,026	-	-	882	144
Instrumental Music	305	-	3,583	3,362	526
International Club	1,016	-	1,696	1,149	1,563
Literacy magazine	279	-	595	595	279
Musical	5,128	-	16,908	18,690	3,346
National Honor Society	132	-	2,186	1,707	611
Newspaper	-	-	2,158	1,547	611
Pep Club	167	-	-	167	-
Prom	2,168	-	12,612	12,266	2,514
ProStart	-	-	909	309	600
SELF Room	1,847	-	40	842	1,045
Skills USA VICA	672	-	-	672	-
Softball	14,021	-	14,447	10,787	17,681
Speech	4,340	-	76	1,455	2,961
Student Council	7,948	-	16,038	12,453	11,533
Student Management	4,708	3,138	18,570	7,260	19,156
Students Against Drunk Drivers	436	-	-	436	-
Vocal Music	2,826	-	2,207	3,185	1,848
Volleyball	17,242	-	11,682	17,627	11,297
Weight Room	39	-	3,050	1,810	1,279

Waukee Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2012

Account	Balance Beginning of Year	Transfers	Revenues	Expenditures	Balance End of Year
Wrestling	1,913	-	14,674	9,406	7,181
Yearbook	3,478	-	46,070	38,436	11,112
Youth for Safe Schools	380	-	-	380	-
<u>Prairieview:</u>					
Art Club	2,292	-	-	396	1,896
Athletics	8,871	-	19,818	18,567	10,122
Concessions	292	-	-	292	-
Dance Team	1,301	-	-	1,301	-
Drama	4,172	-	198	742	3,628
Drama Troupe	2,303	-	-	2,303	-
Student Council	810	-	24	338	496
Student Management	18,266	-	591	3,085	15,772
Swing Choir	470	-	-	470	-
Yearbook	3,884	-	6,800	7,261	3,423
<u>Middle School:</u>					
6th Grade	130	-	-	-	130
7th Grade	135	-	-	-	135
8th Grade	204	-	-	-	204
Athletic Resale	1,931	-	-	-	1,931
Concessions	1,612	-	-	-	1,612
Drama/Speech/Musical	9,307	-	3,798	1,370	11,735
Student Management	35,148	-	4,443	16,473	23,118
Instrumental Music	1,796	-	35	142	1,689
SELF Room	1,146	-	-	-	1,146
Swing Choir	5,946	-	-	-	5,946
Vocal Music	-	-	70	-	70
Yearbook	24,818	-	10,200	8,616	26,402
<u>South Middle School:</u>					
Drama/Speech/Musical	619	-	4,371	4,085	905
Student Council	-	-	3,161	1,332	1,829
Student Management	1,391	32	-	1,060	363
Yearbook	5,099	-	11,755	8,369	8,485
<u>Elementary:</u>					
BV Instrumental Music	89	-	-	-	89
BV Student Council	2,896	90	-	205	2,781
BV Student Management	18,135	-	7,626	10,667	15,094
Eason Fine Arts	6,679	-	-	1,736	4,943
Eason Instrumental Music	300	-	-	-	300
Eason Student Management	12,883	-	1,565	9,272	5,176
Eason Playground	2,823	-	-	-	2,823
Eason Student Council	2,150	-	-	241	1,909
MG Student Council	252	-	-	-	252
MG Student Management	3,800	-	-	3,800	-
SE Fine Arts	-	-	584	584	-
SE Student Council	-	-	273	-	273
SE Student Management	475	-	964	-	1,439
WE Instrumental Music	(333)	333	-	-	-
WE Fine Arts	165	-	-	-	165
WE Student Management	44,632	(333)	1,427	17,663	28,063
WE Playground	2,710	-	-	-	2,710
WE Student Council	5,861	-	-	882	4,979
WH Instrumental Music	132	-	-	-	132
WH Student Management	5,536	-	275	5,811	-
Total	\$ 547,107	32	917,945	953,175	511,909

Waukee Community School District
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Ten Years

	Modified Accrual Basis									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Local sources:										
Local tax	\$ 46,100,059	44,584,830	40,946,587	38,492,214	32,425,053	26,907,371	21,898,342	18,724,901	14,220,453	12,501,101
Tuition	1,447,535	1,262,380	1,053,978	1,134,189	1,175,066	1,209,866	1,267,893	1,176,813	1,258,916	1,274,538
Other	2,211,111	2,165,795	3,375,273	2,185,922	2,432,638	2,604,416	1,935,241	1,383,507	914,311	959,469
State sources	31,651,321	26,672,882	21,558,200	23,361,214	21,804,292	18,700,021	16,110,389	13,424,393	10,926,968	9,691,405
Federal sources	1,160,750	2,788,705	4,132,391	1,021,619	479,500	485,203	437,201	407,377	254,243	207,125
Total	<u>\$ 82,570,776</u>	<u>77,474,592</u>	<u>71,066,429</u>	<u>66,195,158</u>	<u>58,316,549</u>	<u>49,906,877</u>	<u>41,649,066</u>	<u>35,116,991</u>	<u>27,574,891</u>	<u>24,633,638</u>
Expenditures:										
Instruction:										
Regular	\$ 30,670,571	27,556,857	27,511,695	23,090,642	20,040,299	16,944,785	14,497,759	12,045,774	10,074,061	9,180,177
Special	6,245,725	5,685,705	5,640,679	5,611,287	4,926,113	4,233,291	3,387,132	3,061,467	2,679,023	2,303,872
Other	4,822,790	4,629,290	3,624,135	2,932,365	2,389,598	2,147,056	2,096,796	1,896,088	1,443,770	1,354,138
Support services:										
Student	2,218,912	2,111,087	2,033,862	1,981,122	2,518,458	1,413,137	1,289,559	1,274,069	983,108	927,615
Instructional staff	2,903,099	2,596,051	2,604,731	2,372,731	2,450,310	1,631,053	1,393,248	1,475,734	1,331,528	604,992
Administration	4,874,352	4,521,528	3,668,870	4,145,264	3,639,159	2,909,779	2,711,319	2,270,519	1,965,351	1,515,229
Operation/maintenance of plant	4,943,591	4,849,053	4,188,307	3,778,765	3,829,770	3,023,278	2,764,387	2,114,247	1,584,289	1,567,336
Transportation	2,952,847	2,582,297	2,344,507	2,084,532	1,981,897	1,853,584	1,590,878	1,097,493	874,909	762,357
Non-instructional programs	-	-	-	-	29,955	265	-	-	369	352
Other expenditures:										
Capital outlay:										
Facilities acquisition	16,338,521	10,831,068	44,776,662	12,287,811	13,080,340	21,356,585	5,593,186	11,528,812	16,567,624	5,343,943
Debt Service:										
Principal	14,585,000	8,715,000	26,685,000	8,845,000	13,215,000	3,100,000	2,230,000	8,335,000	2,290,000	2,090,000
Interest and other charges	4,881,486	4,970,492	5,777,565	3,593,137	3,106,109	3,170,874	2,591,550	2,477,557	2,178,279	1,900,449
AEA flowthrough	2,573,444	2,496,394	2,306,290	1,922,343	1,696,590	1,434,517	1,198,063	995,297	823,781	770,245
Total	<u>\$ 98,010,338</u>	<u>81,544,822</u>	<u>131,162,303</u>	<u>72,644,999</u>	<u>72,903,598</u>	<u>63,218,204</u>	<u>41,343,877</u>	<u>48,572,057</u>	<u>42,796,092</u>	<u>28,320,705</u>

See accompanying independent auditor's report

**Waukee Community School District
Statistical Section
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The statistical section of the Waukee Community School District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

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Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	74-82
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	83-92
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	93-100
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	104-107
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	101-103, 108-110

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

WAUKEE COMMUNITY SCHOOL DISTRICT

NET ASSETS BY COMPONENT

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
Invested in capital assets, net of related deb	\$ 39,668,066	39,004,284	33,034,650	29,171,718	18,331,620	14,051,616	10,019,928	8,282,400	6,054,028	3,651,585
Restricted	25,874,709	17,089,247	11,605,994	4,452,801	9,922,010	7,820,732	6,441,728	2,627,733	729,161	947,466
Unrestricted	8,367,878	7,086,034	7,493,216	15,528,737	8,112,790	4,815,232	1,594,739	683,244	1,140,838	1,141,673
Total governmental activities net assets	\$ 73,910,653	63,179,565	52,133,860	49,153,256	36,366,420	26,687,580	18,056,395	11,593,377	7,924,027	5,740,724
Business type activities:										
Invested in capital assets	\$ 1,608,365	1,713,938	837,491	961,494	1,073,417	512,885	578,088	548,174	377,917	403,898
Unrestricted	2,110,396	1,924,278	1,868,689	1,537,359	1,151,127	948,838	643,482	459,532	508,045	344,362
Total business type activities net assets	\$ 3,718,761	3,638,216	2,706,180	2,498,853	2,224,544	1,461,723	1,221,570	1,007,706	885,962	748,260
Total										
Invested in capital assets, net of related deb	\$ 41,276,431	40,718,222	33,872,141	30,133,212	19,405,037	14,564,501	10,598,016	8,830,574	6,431,945	4,055,483
Restricted	25,874,709	17,089,247	11,605,994	4,452,801	9,922,010	7,820,732	6,441,728	2,627,733	729,161	947,466
Unrestricted	10,478,274	9,010,312	9,361,905	17,066,096	9,263,917	5,764,070	2,238,221	1,142,776	1,648,883	1,486,035
Total net assets	\$ 77,629,414	66,817,781	54,840,040	51,652,109	38,590,964	28,149,303	19,277,965	12,601,083	8,809,989	6,488,984

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN NET ASSETS

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental Activities:										
Instruction	\$ 42,519,470	40,827,340	39,751,992	33,853,764	29,165,013	23,541,001	19,961,274	17,459,390	14,226,865	12,850,667
Support services	18,361,448	16,998,032	15,156,524	13,692,553	13,714,587	10,863,315	9,628,971	8,412,897	6,766,317	5,366,904
Non-instructional services	1,096	102,369	28,486	-	21,238	-	-	-	369	352
Other expenditures	10,760,065	7,533,339	13,008,444	5,862,005	5,115,615	6,868,514	5,790,397	5,674,821	4,399,338	4,104,084
Total governmental activities expenses	71,642,079	65,461,080	67,945,446	53,408,322	48,016,453	41,272,830	35,380,642	31,547,108	25,392,889	22,322,007
Business type activities:										
Instruction	-	-	-	-	11,932	7,101	2,230	-	-	-
Support services	-	-	-	257,408	359,328	285,066	257,974	-	-	-
Food service operations	3,529,305	3,463,106	2,861,494	2,429,393	2,133,551	1,735,203	1,604,089	1,590,456	1,346,037	1,179,897
Community education operations	908,910	269,799	212,864	-	-	-	-	-	-	-
Childcare operations	312,228	823,806	688,651	608,006	506,525	358,348	307,483	126,069	-	-
Total business type activities expenses	4,750,443	4,556,711	3,763,009	3,294,807	3,011,336	2,385,718	2,171,776	1,716,525	1,346,037	1,179,897
Total expenses	\$ 76,392,522	70,017,791	71,708,455	56,703,129	51,027,789	43,658,548	37,552,418	33,263,633	26,738,926	23,501,904
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 2,558,577	2,322,286	2,102,794	1,982,236	2,057,688	2,029,251	2,303,722	2,018,737	1,927,015	1,817,010
Support services	273,682	223,783	193,524	145,499	138,536	144,466	108,070	100,679	91,128	87,682
Operating grants and contributions	8,055,895	9,007,569	9,939,460	6,461,886	4,680,999	3,628,074	2,953,730	2,413,493	1,935,347	1,775,380
Total governmental activities program revenue	10,888,154	11,553,638	12,235,778	8,589,621	6,877,223	5,801,791	5,365,522	4,532,909	3,953,490	3,680,072
Business type activities:										
Charges for services:										
Support services	-	-	-	-	-	-	62,155	-	-	-
Food service operations	2,572,612	2,447,045	2,296,501	2,217,223	1,908,746	1,693,785	1,456,433	1,280,987	1,213,848	1,009,353
Childcare operations	1,081,982	910,638	791,795	753,598	699,391	470,059	371,744	127,150	550	-
Community education operations	113,230	98,503	58,234	-	-	-	-	-	-	-
Operating grants and contributions	864,022	794,023	681,161	585,268	504,340	421,173	362,089	301,939	266,374	213,292
Capital grants and contributions	-	-	-	-	-	-	111,484	120,440	-	-
Total business type activities program revenues	4,631,846	4,250,209	3,827,691	3,556,089	3,112,477	2,585,017	2,363,905	1,830,516	1,480,772	1,222,645
Total program revenues	\$ 15,520,000	15,803,847	16,063,469	12,145,710	9,989,700	8,386,808	7,729,427	6,363,425	5,434,262	4,902,717
Net (Expense)/Revenue										
Governmental activities	\$ (60,753,925)	(53,907,442)	(55,709,668)	(44,818,701)	(41,139,230)	(35,471,039)	(30,015,120)	(27,014,199)	(21,439,399)	(18,641,935)
Business type activities	(118,597)	(306,502)	64,682	261,282	101,141	199,299	192,129	113,991	134,735	42,748
Total net expense	\$ (60,872,522)	(54,213,944)	(55,644,986)	(44,557,419)	(41,038,089)	(35,271,740)	(29,822,991)	(26,900,208)	(21,304,664)	(18,599,187)
General Revenues and Transfers										
Governmental activities:										
Property taxes	\$ 40,929,986	38,999,099	37,143,451	33,707,077	27,644,301	22,707,713	18,435,237	15,992,732	13,672,507	12,481,271
Local option sales & services tax	5,170,073	5,585,731	3,803,136	4,785,137	4,780,752	4,199,658	3,467,268	2,736,191	551,705	-
Unrestricted state grants	24,756,176	20,447,529	15,766,453	18,195,747	17,597,500	15,518,867	13,589,697	11,414,256	9,242,108	8,119,410
Investment earnings	37,630	108,114	191,804	570,523	840,642	1,299,865	602,452	191,461	87,440	246,574
Other	788,757	780,481	1,925,807	347,053	576,131	376,121	361,325	327,606	68,942	106,411
Transfers	(197,609)	(1,218,178)	(140,379)	-	(621,256)	-	-	-	-	-
Total governmental activities	71,485,013	64,702,776	58,690,272	57,605,537	50,818,070	44,102,224	36,455,979	30,662,246	23,622,702	20,953,666
Business type activities:										
Investment earnings	1,533	3,546	2,266	12,977	40,396	40,854	21,735	7,753	2,967	2,401
Other	-	-	-	50	28	-	-	-	-	-
Transfers	197,609	1,218,178	140,379	-	621,256	-	-	-	-	-
Total business type activities	199,142	1,221,724	142,645	13,027	661,680	40,854	21,735	7,753	2,967	2,401
Total general revenues and transfers	\$ 71,684,155	65,924,500	58,832,917	57,618,564	51,479,750	44,143,078	36,477,714	30,669,999	23,625,669	20,956,067
Change in Net Assets										
Governmental activities	\$ 10,731,088	10,795,334	2,980,604	12,786,836	9,678,840	8,631,185	6,440,859	3,648,047	2,183,303	2,311,731
Business type activities	80,545	915,222	207,327	274,309	762,821	240,153	213,864	121,744	137,702	45,149
Total change in net assets	\$ 10,811,633	11,710,556	3,187,931	13,061,145	10,441,661	8,871,338	6,654,723	3,769,791	2,321,005	2,356,880

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2012*	2011*	2010	2009	2008	2007	2006	2005	2004	2003
General fund:										
Nonspendable	\$ 46,239	55,158	42,785	30,279	36,681	37,183	31,218	41,756	39,845	48,057
Restricted	1,053,041	449,859	73,885	-	97,222	158,461	115,158	68,596	-	-
Unassigned	10,471,856	8,626,046	8,490,957	9,085,543	6,897,344	4,529,957	2,267,031	1,373,853	1,181,262	1,194,658
Total general fund	\$ 11,571,136	9,131,063	8,607,627	9,115,822	7,031,247	4,725,601	2,413,407	1,484,205	1,221,107	1,242,715
All other governmental funds:										
Restricted:										
Debt service	\$ 11,779,376	4,450,438	4,229,495	8,157,269	9,432,642	3,453,669	233,849	189,164	118,999	76,887
Special revenue funds	3,720,456	3,323,455	5,313,955	4,935,005	3,156,244	1,644,624	1,533,833	1,200,280	729,161	947,466
Capital projects funds	31,212,515	11,081,599	13,726,849	51,426,443	10,340,847	17,488,964	17,107,276	2,906,073	5,725,357	11,576,873
Total all other government funds	\$ 46,712,347	18,855,492	23,270,299	64,518,717	22,929,733	22,587,257	18,874,958	4,295,517	6,573,517	12,601,226

Source: District Records

Notes: In 2011, the State of Iowa determined that the Physical Plant and Equipment Levy Fund is a capital projects fund and not a special revenue fund.
Prior to 2011, the Physical Plant and Equipment Levy Fund is included in the special revenue funds.

WAUKEE COMMUNITY SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS AND DEBT SERVICE RATIO

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Local tax	\$ 46,100,059	44,584,830	40,946,587	38,492,214	32,425,053	26,907,371	21,898,342	18,724,901	14,220,453	12,501,101
Tuition	1,447,535	1,262,380	1,053,978	1,134,189	1,175,066	1,209,866	1,267,893	1,176,813	1,258,916	1,274,538
Other	2,211,111	2,165,795	3,375,273	2,185,922	2,432,638	2,604,416	1,935,241	1,383,507	914,311	959,469
State sources	31,651,321	26,672,882	21,558,200	23,361,214	21,804,292	18,700,021	16,110,389	13,424,393	10,926,968	9,691,405
Federal sources	1,160,750	2,788,705	4,132,391	1,021,619	479,500	485,203	437,201	407,377	254,243	207,125
Total revenues	82,570,776	77,474,592	71,066,429	66,195,158	58,316,549	49,906,877	41,649,066	35,116,991	27,574,891	24,633,638
Expenditures:										
Current:										
Instruction:										
Regular	30,670,571	27,556,857	27,511,695	23,090,642	20,040,299	16,944,785	14,497,759	12,045,774	10,074,061	9,180,177
Special	6,245,725	5,685,705	5,640,679	5,611,287	4,926,113	4,233,291	3,387,132	3,061,467	2,679,023	2,303,872
Other	4,822,790	4,629,290	3,624,135	2,932,365	2,389,598	2,147,056	2,096,796	1,896,088	1,443,770	1,354,138
Support services:										
Student	2,218,912	2,111,087	2,033,862	1,981,122	2,518,458	1,413,137	1,289,559	1,274,069	983,108	927,615
Instructional	2,903,099	2,596,051	2,604,731	2,372,731	2,450,310	1,631,053	1,393,248	1,475,734	1,331,528	604,992
Administrative	4,874,352	4,521,528	3,668,870	4,145,264	3,639,159	2,909,779	2,711,319	2,270,519	1,965,351	1,515,229
Operation & plant maintenance	4,943,591	4,849,053	4,188,307	3,778,765	3,829,770	3,023,278	2,764,387	2,114,247	1,584,289	1,567,336
Transportation	2,952,847	2,582,297	2,344,507	2,084,532	1,981,897	1,853,584	1,560,878	1,097,493	874,909	762,357
Non-instructional services	-	-	-	-	29,955	265	-	-	369	352
Other expenditures:										
Capital outlay:										
Facilities acquisition	16,338,521	10,831,068	44,776,662	12,287,811	13,080,340	21,356,585	5,593,186	11,528,812	16,567,624	5,343,943
Debt service:										
Principal	14,585,000	8,715,000	26,685,000	8,845,000	13,215,000	3,100,000	2,230,000	8,335,000	2,290,000	2,090,000
Interest	4,881,486	4,970,492	5,777,565	3,584,653	3,097,409	3,166,074	2,500,741	2,391,214	2,082,149	1,900,449
Fiscal charges	-	-	-	8,484	8,700	4,800	90,809	86,343	96,130	262,182
AEA flowthrough	2,573,444	2,496,394	2,306,290	1,922,343	1,696,590	1,434,517	1,198,063	995,297	823,781	770,240
Total expenditures	98,010,338	81,544,822	131,162,303	72,644,999	72,903,598	63,218,204	41,313,877	48,572,057	42,796,092	28,582,882
Other financing sources (uses):										
Sale of equipment	-	-	-	-	-	100	50	1,900	1,300	100
Sale of real property	-	-	-	-	-	-	26,000	-	-	-
Transfers in	9,446,880	7,135,491	5,016,481	6,868,247	5,327,082	3,101,062	15,831,166	763,808	775,552	798,543
Transfers out	(9,644,489)	(7,300,384)	(5,156,860)	(6,868,247)	(5,327,082)	(3,101,062)	(15,831,160)	(763,808)	(775,552)	(798,543)
Bonds refunded	8,390,000	-	18,310,000	-	7,165,000	(4,285,000)	-	-	-	(4,490,000)
Bonds and notes issued	36,385,000	-	-	50,000,000	10,000,000	23,335,000	15,000,000	11,390,000	9,175,000	15,520,000
Premium/discounts on bonds and notes	1,159,099	-	278,557	123,400	70,171	285,720	147,404	48,264	-	-
	45,736,490	(164,893)	18,448,178	50,123,400	17,235,171	19,335,820	15,173,460	11,440,164	9,176,300	11,030,100
Net change in fund balance	\$ 30,296,928	(4,235,123)	(41,647,696)	43,673,559	2,648,122	6,024,493	15,508,649	(2,014,902)	(6,044,901)	7,080,856
Total expenditures	\$ 98,010,338	81,544,822	131,162,303	72,644,999	72,903,598	63,218,204	41,313,877	48,572,057	42,796,092	28,582,882
Less: capital expenditures	(16,114,705)	(11,338,807)	(39,552,978)	(13,264,257)	(13,209,951)	(20,735,371)	(5,293,151)	(10,817,069)	(16,095,655)	(5,035,469)
Non-capital expenditures	81,895,633	70,206,015	91,609,325	59,380,742	59,693,647	42,482,833	36,020,726	37,754,988	26,700,437	23,547,413
Debt service expenditures	19,466,486	13,685,492	32,462,565	12,438,137	16,321,109	6,270,874	4,821,550	10,812,557	4,468,279	4,252,631
Debt service expenditures as a percentage of non-capital expenditures	23.77%	19.49%	35.44%	20.95%	27.34%	14.76%	13.39%	28.64%	16.73%	18.06%

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL FUND REVENUES, BY SOURCE

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Local		State	Federal	Total
	Taxes	Miscellaneous			
2012	\$ 27,018,767	2,657,125	31,649,148	1,160,750	62,485,790
2011	23,958,242	2,145,624	26,670,526	2,788,705	55,563,097
2010	23,325,578	1,711,651	21,556,102	4,132,391	50,725,722
2009	21,606,662	1,976,901	23,359,329	1,021,619	47,964,511
2008	19,059,387	2,045,360	21,802,799	479,500	43,387,046
2007	15,417,932	2,022,140	18,698,603	485,203	36,623,878
2006	12,101,584	1,874,439	16,108,939	433,391	30,518,353
2005	9,993,328	1,599,569	13,422,857	407,377	25,423,131
2004	8,349,264	1,576,846	10,925,564	254,243	21,105,917
2003	7,866,729	1,600,125	9,690,094	207,125	19,364,073

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
GENERAL FUND EXPENDITURES, BY PROGRAM

Last Ten Fiscal Years
(Unaudited)

Year Ended June 30,	Instruction	Support Services	Non-Instructional Programs	Other Expenditures	Total
2012	\$ 40,431,738	16,842,894	-	2,573,444	59,848,076
2011	36,521,668	15,859,677	-	2,496,394	54,877,739
2010	34,446,910	14,466,615	-	2,306,290	51,219,815
2009	30,684,923	13,272,579	-	1,922,343	45,879,845
2008	26,185,188	13,176,495	23,127	1,696,590	41,081,400
2007	22,370,355	10,506,812	-	1,434,517	34,311,684
2006	18,800,131	9,594,770	-	1,198,063	29,592,964
2005	16,051,064	8,115,572	-	995,297	25,161,933
2004	13,601,413	6,696,788	-	824,908	21,123,109
2003	12,339,194	5,228,519	-	770,245	18,337,958

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

GOVERNMENT-WIDE REVENUES

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Program Revenues								Total
	Charges for Services & Sales	Operating Grants & Contributions	Capital Grants & Contributions	Taxes	Other Local Sources	State Sources	Investment Earnings		
2012	\$ 6,600,083	8,919,917	-	46,100,059	788,757	24,756,176	39,163		87,204,155
2011	6,002,255	9,801,592	-	44,584,830	468,436	20,447,529	108,114		81,412,756
2010	5,442,848	10,620,621	-	40,946,587	1,623,126	16,069,134	194,070		74,896,386
2009	5,098,556	7,047,154	-	38,492,214	347,053	18,195,797	583,500		69,764,274
2008	4,804,361	5,185,339	-	32,425,053	306,433	17,867,226	881,038		61,469,450
2007	4,337,561	4,049,247	-	26,907,371	188,662	15,518,867	1,340,719		52,342,427
2006	4,302,124	3,315,819	111,484	21,902,505	361,325	13,589,697	624,187		44,207,141
2005	3,527,553	2,715,432	120,440	18,728,923	327,606	11,414,256	199,214		37,033,424
2004	3,232,541	2,201,721	-	13,672,507	620,647	9,242,108	90,407		29,059,931
2003	2,914,045	1,998,672	-	12,481,271	106,411	8,119,410	248,975		25,868,784

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
GOVERNMENT-WIDE EXPENSES, BY FUNCTION

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Program Revenues				Total
	Instruction	Support Services	Non-instructional Programs	Other Expenditures	
2012	\$ 42,519,470	18,489,144	4,623,843	10,760,065	76,392,522
2011	40,827,340	16,998,032	102,369	7,547,279	65,475,020
2010	39,751,992	15,156,624	28,486	13,008,444	67,945,546
2009	33,853,764	13,692,553	-	5,862,005	53,408,322
2008	29,165,013	13,714,587	21,238	5,115,615	48,016,453
2007	23,541,001	10,863,315	2,385,718	6,868,514	43,658,548
2006	19,961,274	9,628,971	2,171,776	5,790,397	37,552,418
2005	17,459,390	8,412,897	1,716,525	5,674,821	33,263,633
2004	14,226,865	6,766,317	1,346,406	4,399,338	26,738,926
2003	12,850,667	5,366,904	1,180,249	4,104,084	23,501,904

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARISON OF GROWTH IN GENERAL FUND REVENUE, EXPENDITURES, ENROLLMENT,
ENROLLMENT, ASSESSED VALUATION AND TAX RATE

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Revenue	Growth	Expenditures	Growth	Budget Enrollment	Growth	Assessed Value	Growth	Tax Rate	Growth
2012	\$ 62,485,790	12.45%	\$ 59,848,076	9.06%	7,111.1	13.79%	\$ 2,177,617,587	4.75%	\$ 12.43205	7.52%
2011	55,566,068	9.27%	54,877,739	7.14%	6,249.2	4.73%	2,078,929,733	5.60%	11.56253	-2.59%
2010	50,851,999	6.02%	51,219,815	11.64%	5,967.0	8.73%	1,968,768,518	9.81%	11.86962	-1.58%
2009	47,964,420	10.55%	45,879,845	11.68%	5,488.0	0.55%	1,792,848,425	22.21%	12.06033	-7.57%
2008	43,387,046	18.47%	41,081,400	19.73%	5,458.0	7.06%	1,467,046,188	22.76%	13.04865	0.89%
2007	36,623,878	19.99%	34,311,684	15.95%	5,098.0	11.07%	1,195,088,331	22.33%	12.93403	4.52%
2006	30,522,161	20.05%	29,592,960	17.61%	4,590.0	12.83%	976,966,148	15.70%	12.37520	4.68%
2005	25,425,031	20.50%	25,161,933	18.62%	4,068.0	12.19%	844,423,567	18.07%	11.82216	1.10%
2004	21,099,617	8.96%	21,212,982	15.68%	3,626.0	16.52%	715,197,303	8.86%	11.69320	-2.33%
2003	19,364,073	41.82%	18,337,958	28.10%	3,112.0	29.61%	656,966,876	43.42%	11.97257	4.11%

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
RATIO OF FINANCIAL CONDITION (General Fund)

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Days net Cash Ratio <u>cash</u> average daily disbursements	107.22	111.11	97.58	108.79	97.86	84.81	64.79	59.09	56.90	56.80
Increased Revenue versus Increased Expenditures <u>current year revenue minus prior year revenue</u> current year expenditures-prior year expenditures	1.40	1.29	0.54	0.95	1.00	1.29	1.15	1.07	0.63	1.58
Financial Solvency Ratios <u>current year Unassigned Fund Balance</u> current year actual revenue	16.76%	17.46%	16.70%	18.94%	15.68%	12.13%	7.08%	5.40%	5.60%	6.17%

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
(Unaudited)

Collection Year	General Fund	Management	Debt Service	PPEL	Total
<u>Property Tax Levies</u>					
2012	\$ 27,072,244	1,000,000	8,536,724	4,397,859	41,006,827
2011	24,037,687	1,999,993	8,927,727	4,143,096	39,108,503
2010	23,368,534	999,997	8,878,545	3,947,929	37,195,005
2009	21,622,344	999,997	7,499,922	3,609,431	33,731,694
2008	19,142,972	1,100,006	4,393,433	3,144,865	27,781,276
2007	15,457,308	500,501	4,270,762	2,559,417	22,787,988
2006	12,090,151	399,999	3,970,419	1,954,603	18,415,172
2005	9,978,351	300,000	4,030,904	1,662,167	15,971,422
2004	8,362,946	180,000	3,649,603	1,505,078	13,697,627
2003	7,874,784	165,000	3,094,666	1,367,044	12,501,494
<u>Property Tax Collections</u>					
2012	27,018,767	997,243	8,523,118	4,390,858	40,929,986
2011	23,797,934	1,980,046	8,861,871	4,112,538	38,752,389
2010	23,157,073	990,940	8,820,636	3,922,059	36,890,708
2009	21,443,124	991,736	7,447,496	3,584,212	33,466,568
2008	18,885,364	1,085,244	4,307,301	3,102,316	27,380,225
2007	15,417,932	498,717	4,246,299	2,544,765	22,707,713
2006	12,080,450	399,673	3,967,366	1,953,106	18,400,595
2005	9,973,356	299,712	4,024,352	1,661,063	15,958,483
2004	8,349,264	179,706	3,639,048	1,500,730	13,668,748
2003	7,866,729	165,496	3,093,356	1,375,520	12,501,101
<u>Percentage Collected</u>					
2012	99.80%	99.72%	99.84%	99.84%	99.81%
2011	99.00%	99.00%	99.26%	99.26%	99.09%
2010	99.10%	99.09%	99.35%	99.34%	99.18%
2009	99.17%	99.17%	99.30%	99.30%	99.21%
2008	98.65%	98.66%	98.04%	98.65%	98.56%
2007	99.75%	99.64%	99.43%	99.43%	99.65%
2006	99.92%	99.92%	99.92%	99.92%	99.92%
2005	99.95%	99.90%	99.84%	99.93%	99.92%
2004	99.84%	99.84%	99.71%	99.71%	99.79%
2003	99.90%	100.30%	99.96%	100.62%	100.00%

Source: District records

Dallas County, Iowa does not track delinquent taxes to a specific year if payment is made after the fiscal year closes.

WAUKEE COMMUNITY SCHOOL DISTRICT

TAX RATES BY FUND

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	General	Management	PPEL	Debt Service	Total
2012	\$ 12.43205	0.45922	1.67000	3.24165	17.80292
2011	11.56253	0.96203	1.67000	3.59859	17.79315
2010	11.86962	0.50793	1.67000	3.75581	17.80336
2009	12.06033	0.55777	1.67000	3.47004	17.75814
2008	13.04865	0.74981	1.67000	2.33302	17.80148
2007	12.93403	0.41838	1.67000	2.78664	17.80905
2006	12.37520	0.40943	1.67000	3.39230	17.84693
2005	11.82216	0.35527	1.67000	4.04603	17.89346
2004	11.69320	0.25168	1.67000	4.04952	17.66440
2003	11.97257	0.25115	1.67000	3.75576	17.64948

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
TAXABLE AND 100% VALUES OF PROPERTY
Last Ten Fiscal Years
(Unaudited)

Levy Year	Collection Year	Real Property		Personal Property		Railroads & Utilities w/o Gas & Electric	
		Taxable	100% Value	Taxable	100% Value	Taxable	100% Value
2010	2011-12	\$ 2,605,956,254	4,090,294,621	-	-	14,274,534	14,274,534
2009	2010-11	2,066,543,684	3,371,574,382	-	-	14,139,966	14,139,966
2008	2009-10	1,955,777,049	3,400,929,740	-	-	13,641,512	13,641,512
2007	2008-09	1,780,656,409	3,116,199,794	-	-	12,272,629	12,272,629
2006	2007-08	1,858,042,043	2,950,899,982	-	-	13,116,350	13,116,350
2005	2006-07	1,510,070,351	2,419,304,099	-	-	15,444,126	15,465,927
2004	2005-06	1,148,316,166	1,868,579,752	-	-	15,095,138	15,095,138
2003	2004-05	973,280,228	1,558,524,097	-	-	14,464,885	14,464,885
2002	2003-04	881,545,202	1,347,854,822	-	-	12,181,126	12,181,126
2001	2002-03	800,649,806	1,217,989,973	742,846	742,846	15,058,875	15,106,417

Source: County Auditor's Office

Notes:

Gas and Electric is no longer subject to property tax, but instead pay utility replacement tax.
Includes Tax Increment Financing Valuations

Gas & Electric		Total		Ratio of Total Taxable Value to 100% Value
Taxable	100% Value	Taxable	100% Value	
13,218,079	27,433,258	2,633,448,867	4,132,002,413	63.73%
12,386,049	26,579,651	2,093,069,699	3,412,293,999	61.34%
12,991,469	26,566,149	1,982,410,030	3,441,137,401	57.61%
12,192,016	17,468,314	1,805,121,054	3,145,940,737	57.38%
11,994,305	17,065,329	1,883,152,698	2,981,081,661	63.17%
7,070,342	8,407,740	1,532,584,819	2,443,177,766	62.73%
7,009,675	7,750,790	1,170,420,979	1,891,425,680	61.88%
7,564,751	7,564,751	995,309,864	1,580,553,733	62.97%
7,517,646	7,517,646	901,243,974	1,367,553,594	65.90%
7,526,984	7,526,984	823,978,511	1,241,366,220	66.38%

WAUKEE COMMUNITY SCHOOL DISTRICT

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION, DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Levy Year	Collection Year	Dallas County	Dallas Co Hospital	State	Area XI Community College	City	Special	Waukee CSD	Total	Ratio WCSD to Total
<u>City of Waukee</u>										
2010	2011-12	\$ 4.62966	0.60911	0.00320	0.59018	13.50001	-	17.80292	37.13508	47.941%
2009	2010-11	4.72267	0.60945	0.00340	0.56008	13.50001	-	17.79315	37.18876	47.846%
2008	2009-10	5.24709	0.60971	0.00300	0.56778	13.50004	-	17.80336	37.73098	47.185%
2007	2008-09	5.30363	0.59132	0.00350	0.56386	13.50004	-	17.75814	37.72049	47.078%
2006	2007-08	7.19259	2.96959	0.00350	0.60276	13.50004	-	17.80148	42.06996	42.314%
2005	2006-07	8.90138	1.13685	0.00400	0.68488	13.50004	-	17.84693	42.07408	42.418%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	13.50039	-	17.84693	38.87334	45.910%
2003	2004-05	6.11761	0.74992	0.00400	0.59856	13.50039	-	17.89346	38.86394	46.041%
2002	2003-04	6.22792	0.78378	0.00400	0.58184	13.50010	-	17.66440	38.76204	45.571%
2001	2002-03	6.27223	0.85556	0.00500	0.54584	13.50032	-	17.66350	38.84245	45.475%
<u>City of Clive</u>										
2010	2011-12	\$ 4.62966	0.60911	0.00320	0.59018	9.54485	0.25300	17.80292	33.43292	53.250%
2009	2010-11	4.72267	0.60945	0.00340	0.56008	9.53866	-	17.79315	33.22741	53.550%
2008	2009-10	5.24709	0.60971	0.00300	0.56778	9.53764	-	17.80336	33.76858	52.722%
2007	2008-09	5.30363	0.59132	0.00350	0.56386	9.53762	-	17.75814	33.75807	52.604%
2006	2007-08	7.19259	2.96959	0.00350	0.60276	9.53783	0.07294	17.80148	38.18069	46.624%
2005	2006-07	8.90138	1.13685	0.00400	0.68488	9.24927	-	17.84693	37.82331	47.185%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	9.24927	-	17.84693	34.62222	51.548%
2003	2004-05	6.11761	0.74992	0.00400	0.59856	8.82714	-	17.89346	34.19069	52.334%
2002	2003-04	6.22792	0.78378	0.00400	0.58184	8.92149	-	17.66440	34.18343	51.675%
2001	2002-03	6.27223	0.85556	0.00500	0.54584	8.96811	-	17.66350	34.31024	51.482%
<u>City of Urbandale</u>										
2010	2011-12	\$ 4.62966	0.60911	0.00320	0.59018	9.52000	0.30200	17.80292	33.45707	53.211%
2009	2010-11	4.72267	0.56008	0.00340	0.56008	9.32000	-	17.79315	32.95938	53.985%
2008	2009-10	5.24709	0.60971	0.00300	0.56778	9.22000	-	17.80336	33.45094	53.222%
2007	2008-09	5.30363	0.59132	0.00350	0.56386	9.22000	-	17.75814	33.44045	53.104%
2006	2007-08	7.19259	2.96959	0.00350	0.60276	9.22000	0.17216	17.80148	37.96208	46.893%
2005	2006-07	8.90138	1.13685	0.00400	0.68488	9.07393	0.13129	17.84693	37.77926	47.240%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	9.07393	-	17.84693	34.44688	51.810%
2003	2004-05	6.11761	0.74992	0.00400	0.59856	9.07306	0.41222	17.89346	34.84883	51.346%
2002	2003-04	6.22792	0.78378	0.00400	0.58184	9.07000	0.42528	17.66440	34.75722	50.822%
2001	2002-03	6.27223	0.85556	0.00500	0.54584	8.97000	0.41734	17.66350	34.72947	50.860%
<u>City of West Des Moines</u>										
2010	2011-12	\$ 4.62966	0.60911	0.00320	0.59018	12.05000	0.40300	17.80292	36.08807	49.332%
2009	2010-11	4.72267	0.60945	0.00340	0.56008	12.05000	-	17.79315	35.73875	49.787%
2008	2009-10	5.24709	0.60971	0.00300	0.56778	12.05000	-	17.80336	36.28094	49.071%
2007	2008-09	5.30363	0.59132	0.00350	0.56386	12.05000	-	17.75814	36.27045	48.960%
2006	2007-08	7.19259	2.96959	0.00350	0.60276	12.04999	0.33240	17.80148	40.95231	43.469%
2005	2006-07	8.90138	1.13685	0.00400	0.68488	11.95000	0.27070	17.84693	40.79474	43.748%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	11.95000	-	17.84693	37.32295	47.818%
2003	2004-05	6.11761	0.74992	0.00400	0.59856	11.72777	-	17.89346	37.09132	48.242%
2002	2003-04	6.22792	0.78378	0.00400	0.58184	11.60021	-	17.66440	36.86215	47.920%
2001	2002-03	6.27223	0.85556	0.00500	0.54584	11.60003	-	17.66350	36.94216	47.814%

Source: County Auditor's Office

WAUKEE COMMUNITY SCHOOL DISTRICT
COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUE

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Local revenue		Intergovernmental revenue		
	General and special revenue funds	Debt service and capital projects funds	State sources	Federal sources	Total
2012	\$ 31,648,612	18,110,093	31,651,321	1,160,750	82,570,776
2011	26,106,837	8,915,061	26,670,526	2,788,705	64,481,129
2010	25,163,506	8,928,576	21,556,102	4,132,391	59,780,575
2009	23,583,562	7,514,685	23,359,239	1,021,619	55,479,105
2008	26,294,962	9,737,795	21,804,292	479,500	58,316,549
2007	21,357,278	9,364,375	18,700,021	485,203	49,906,877
2006	17,196,267	7,905,208	16,110,389	437,201	41,649,065
2005	14,255,091	7,030,130	13,424,393	407,377	35,116,991
2004	12,136,114	4,258,524	10,926,010	254,243	27,574,891
2003	11,479,225	3,256,755	9,690,533	207,125	24,633,638

WAUKEE COMMUNITY SCHOOL DISTRICT
TAXABLE ASSESSED VALUATION BY PROPERTY TYPE*

Last Ten Fiscal Years
(Unaudited)

Collection Year	2012	% of Total	2011	% of Total	2010	% of Total	2009	% of Total
Residential	\$ 1,391,067,695	70.7%	\$ 1,289,336,556	65.6%	\$ 1,209,740,589	61.5%	\$ 1,049,082,674	58.4%
Agricultural	20,027,338	1.0%	19,312,836	1.0%	13,792,106	0.7%	13,393,952	0.7%
Commercial	734,726,132	37.4%	739,997,380	37.6%	712,326,724	36.2%	699,318,821	38.9%
Industrial	4,371,778	0.2%	3,898,097	0.2%	4,096,860	0.2%	4,698,960	0.3%
Personal	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Railroads	2,006,741	0.1%	1,809,118	0.1%	1,559,461	0.1%	1,559,461	0.1%
Utilities w/o Gas & Electric	14,274,534	0.7%	14,139,966	0.7%	13,641,512	0.7%	12,272,629	0.7%
Gas & Electric	<u>13,218,079</u>	0.7%	<u>12,386,049</u>	0.6%	<u>12,991,469</u>	0.7%	<u>17,468,314</u>	1.0%
Sub-Total	2,179,692,297		2,080,880,002		1,968,148,721		1,797,794,811	
(Military Credit)	<u>(2,074,710)</u>		<u>(1,950,269)</u>		<u>(1,854,007)</u>		<u>(1,795,576)</u>	
Totals	<u>\$ 2,177,617,587</u>		<u>\$ 2,078,929,733</u>		<u>\$ 1,966,294,714</u>		<u>\$ 1,795,999,235</u>	

Notes:

* Does not include TIF Valuation

Source: County Auditor and District records

	2008	% of Total	2007	% of Total	2006	% of Total	2005	% of Total	2004	% of Total	2003	% of Total
\$	894,414,446	61.0%	\$ 736,708,613	61.6%	\$ 577,276,665	59.1%	\$ 479,166,040	56.7%	\$ 416,743,673	58.3%	\$ 385,758,428	58.7%
	13,510,560	0.9%	13,910,270	1.2%	14,009,200	1.4%	14,475,120	1.7%	22,181,850	3.1%	22,470,600	3.4%
	530,841,969	36.2%	418,658,441	35.0%	359,914,916	36.8%	325,193,663	38.5%	250,761,836	35.1%	221,993,653	33.8%
	4,865,916	0.3%	4,851,390	0.4%	4,851,390	0.5%	4,718,460	0.6%	4,564,480	0.6%	4,452,610	0.7%
	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	742,846	0.1%
	1,281,039	0.1%	2,545,804	0.2%	2,598,624	0.3%	2,451,043	0.3%	2,334,361	0.3%	2,084,530	0.3%
	11,835,311	0.8%	12,898,322	1.1%	12,496,514	1.3%	12,013,842	1.4%	12,181,126	1.7%	12,974,345	2.0%
	<u>11,994,305</u>	<u>0.8%</u>	<u>7,070,342</u>	<u>0.6%</u>	<u>7,009,675</u>	<u>0.7%</u>	<u>7,564,751</u>	<u>0.9%</u>	<u>7,517,646</u>	<u>1.1%</u>	<u>7,526,984</u>	<u>1.1%</u>
	1,468,743,546		1,196,643,182		978,156,984		845,582,919		716,284,972		658,003,996	
	<u>(1,697,358)</u>		<u>(1,554,851)</u>		<u>(1,190,836)</u>		<u>(1,159,353)</u>		<u>(1,087,669)</u>		<u>(1,037,120)</u>	
\$	<u>1,467,046,188</u>		<u>\$ 1,195,088,331</u>		<u>\$ 976,966,148</u>		<u>\$ 844,423,566</u>		<u>\$ 715,197,303</u>		<u>\$ 656,966,876</u>	

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL TAXPAYERS IN THE WAUKEE COMMUNITY SCHOOL DISTRICT

Current and Nine Years Ago
(Unaudited)

Taxpayer	2010 Taxable Values	Percent of Total Assessed Value
Wells Fargo Home Mortgage, Inc.	\$ 188,454,660	7.16%
GCP Jordan Creek LLC	175,142,440	6.65%
Aviva Real Property Holdings LLC	54,939,070	2.09%
CCOPELLC	40,041,570	1.52%
Dallas County Partners II	31,725,370	1.20%
Iowa Clinic West Lakes I, LLC	25,834,520	0.98%
Edgewater, A Wesley Active Life Community LLC	20,997,880	0.80%
Wal-Mart Real Estate Business Trust	16,216,120	0.62%
MidAmerican Energy Co	15,620,130	0.59%
Westtown Equity, LLC	14,912,930	0.57%
Total	\$ 583,884,690	
Total Taxable Assessed Value	\$ 2,633,448,867	

Taxpayer	2001 Taxable Values	Percent of Total Assessed Value
Wells Fargo Home Mortgage, Inc.	\$ 52,655,822	2.00%
Dallas County Partners	44,075,290	1.67%
Dallas County Partners II	26,474,840	1.01%
West Lakes Development Company	21,848,860	0.83%
Iowa Lodging, LLC	12,277,280	0.47%
Hubbell Realty Company	9,221,550	0.35%
65th St Partnership	8,484,960	0.32%
Sherman Hills Real Estate	8,913,140	0.34%
60th St Partnership	7,493,710	0.28%
Hy-Vee, Inc	7,517,380	0.29%
Total	\$ 198,962,832	
Total Taxable Assessed Value	\$ 823,978,511	

Source: Dallas County Auditor's Office

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARATIVE RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA

Last Ten Fiscal Years
(Unaudited)

Collection Year	Population (a)	100% Actual Value	Legal Debt Limit(5%)	Indebtedness	Debt to Assessed Value	Debt per Capita
2012	37,076	\$ 4,132,002,413	206,600,121	143,600,000	3.48%	\$ 3,873
2011	37,076	3,964,429,946	198,221,497	113,410,000	2.86%	3,059
2010	37,076	3,822,756,705	191,137,835	122,125,000	3.19%	3,294
2009	13,173	3,502,206,021	175,110,301	130,500,000	3.73%	9,907
2008	13,173	2,981,081,661	149,054,083	89,345,000	3.00%	6,782
2007	13,173	2,443,177,766	122,158,888	85,395,000	3.50%	6,483
2006	13,173	1,891,425,680	94,571,284	69,445,000	3.67%	5,272
2005	13,173	1,580,553,733	79,027,687	56,675,000	3.59%	4,302
2004	13,173	1,367,553,594	68,377,680	53,620,000	3.92%	4,070
2003	13,173	1,241,366,220	62,068,311	46,735,000	3.76%	3,548

Notes:

(a) U.S. Department of Commerce, Bureau of Census

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO TOTAL GOVERNMENTAL FUND EXPENDITURES

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Principal	Interest	Total Debt Service	Total Expenditures	Ratio of Debt Service to Total Expenditures
2012	\$ 14,585,000	4,881,486	19,466,486	98,010,338	19.86%
2011	8,715,000	4,970,492	13,685,492	81,544,822	16.78%
2010	26,685,000	5,777,565	32,462,565	131,162,303	24.75%
2009	8,845,000	3,584,653	12,429,653	72,644,999	17.11%
2008	13,215,000	3,097,409	16,312,409	72,903,598	22.38%
2007	3,100,000	3,166,074	6,266,074	63,218,204	9.91%
2006	2,230,000	2,500,741	4,730,741	41,343,877	11.44%
2005	8,335,000	2,391,214	10,726,214	48,572,057	22.08%
2004	2,290,000	2,082,149	4,372,149	42,796,092	10.22%
2003	2,090,000	1,900,449	3,990,449	28,582,882	13.96%

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation		Capital Loan Notes	Less: Amount Restricted for Debt		Total	Percent of Actual Taxable Value of	
	Bonds	Revenue Bonds		Service			Property (a)	Per Capita (b)
2012	\$ 110,465,000	22,335,000	10,800,000	11,779,376		131,820,624	3.19%	\$ 3,555
2011	96,445,000	8,680,000	8,285,000	4,450,438		108,959,562	2.75%	2,939
2010	101,005,000	11,355,000	9,765,000	4,229,495		117,895,505	3.08%	3,180
2009	105,380,000	13,925,000	11,195,000	8,157,269		122,342,731	3.49%	9,287
2008	60,370,000	16,400,000	12,575,000	9,432,642		79,912,358	2.68%	6,066
2007	52,590,000	18,900,000	13,905,000	3,453,669		81,941,331	3.35%	6,220
2006	54,445,000	-	15,000,000	233,849		69,211,151	3.66%	5,254
2005	55,945,000	-	730,000	189,164		56,485,836	3.57%	4,288
2004	52,195,000	-	1,425,000	118,999		53,501,001	3.91%	4,061
2003	44,640,000	-	2,095,000	76,887		46,658,113	3.76%	3,542

Source: District records

Notes:

(a) Actual taxable value of property includes Tax Increment Financing valuation. Assessed value equals estimated actual value.

See pages 96-97 for actual taxable value of property.

(b) See Page 104 for population data.

WAUKEE COMMUNITY SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2012	2011	2010	2009	2008
Assessed value of property	\$ 4,132,002,413	3,964,429,946	3,822,756,705	3,502,206,021	2,981,081,661
Debt limit-5% of 100% assessed value	206,600,121	198,221,497	191,137,835	175,110,301	149,054,083
Amount of debt applicable to debt limit:					
General obligation bonds	110,465,000	96,445,000	101,005,000	105,380,000	60,370,000
Sales tax revenue bonds	22,335,000	8,680,000	11,355,000	13,925,000	16,400,000
Capital loan notes	10,800,000	8,285,000	9,765,000	11,195,000	12,575,000
Total debt applicable to debt limit	<u>143,600,000</u>	<u>113,410,000</u>	<u>122,125,000</u>	<u>130,500,000</u>	<u>89,345,000</u>
Legal debt margin	\$ 63,000,121	84,811,497	69,012,835	44,610,301	59,709,083
Legal debt margin as a percentage of debt limit	30.49%	42.79%	36.11%	25.48%	40.06%

Source: District Records

2007	2006	2005	2004	2003
2,443,177,766	1,891,425,600	1,580,553,733	1,367,553,594	1,241,366,220
122,158,888	94,571,280	79,027,687	68,377,680	62,068,311
52,590,000	54,445,000	55,945,000	52,195,000	44,640,000
18,900,000	-	-	-	-
13,905,000	15,000,000	730,000	1,425,000	2,095,000
85,395,000	69,445,000	56,675,000	53,620,000	46,735,000
36,763,888	25,126,280	22,352,687	14,757,680	15,333,311
30.10%	26.57%	28.28%	21.58%	24.70%

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPUTATION OF OVERLAPPING AND DIRECT DEBT

As of June 30, 2012
(Unaudited)

	Taxable Valuation	Taxable Valuation Within District	Percent in District	G. O. Debt	Waukee CSD Share of the Debt
Dallas County	\$ 4,024,018,434	2,633,448,867	65.44%	\$ 15,090,000	9,875,388
City of Waukee	590,249,040	587,280,819	99.50%	23,328,972	23,211,656
City of Clive	1,232,297,231	249,722,511	20.26%	50,805,000	10,295,529
City of Grimes	434,698,512	124,910	0.03%	16,110,000	4,820
City of Urbandale	2,491,094,394	334,455,555	13.43%	51,550,000	6,036,114
City of West Des Moines	4,205,957,596	1,395,976,623	33.19%	104,840,000	23,720,893
Area XI Des Moines Area Community College	36,478,169,487	2,633,448,867	7.22%	85,745,000	5,676,725
Total District Share of Overlapping Debt				<u>\$ 347,468,972</u>	<u>78,821,125</u>
Direct, Waukee Community School District:					
General Obligation			100.00%	\$ 110,465,000	110,465,000
Sales Tax Revenue Bonds			100.00%	22,335,000	22,335,000
Capital Loan Notes			100.00%	10,800,000	10,800,000
Total District Direct Debt				<u>\$ 143,600,000</u>	<u>143,600,000</u>

Source: District records, County Auditor's office, City of Waukee, City of Clive, City of Grimes, City of Urbandale, City of West Des Moines, Area XI Des Moines Area Community College.

WAUKEE COMMUNITY SCHOOL DISTRICT

OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years
(Unaudited)

Governmental Activities

Fiscal Year	General Obligation			Total Primary Government	Percentage of	
	Bonds	Revenue Bonds	Capital Loan Notes		Personal Income (a)	Per Capita (a)
2012	\$ 110,465,000	22,335,000	10,800,000	143,600,000	N/A	\$ 3,873
2011	96,445,000	8,680,000	8,285,000	113,410,000	9.81%	3,059
2010	101,005,000	11,355,000	9,765,000	122,125,000	12.35%	3,294
2009	105,380,000	13,925,000	11,195,000	130,500,000	13.79%	9,907
2008	60,370,000	16,400,000	12,575,000	89,345,000	10.13%	6,782
2007	52,590,000	18,900,000	13,905,000	85,395,000	11.26%	6,483
2006	54,445,000	-	15,000,000	69,445,000	10.77%	5,272
2005	55,945,000	-	730,000	56,675,000	10.21%	4,302
2004	52,195,000	-	1,425,000	53,620,000	11.65%	4,070
2003	44,640,000	-	2,095,000	46,735,000	12.00%	3,548

Source: District records

Notes: N/A = not available. Details of the District's outstanding debt can be found in Note 7 in the notes to the financial statements.

(a) See Page 104 for personal income and population data. These ratios are calculated using personal income and population from the prior year calendar year.

WAUKEE COMMUNITY SCHOOL DISTRICT

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Revenue	Principal	Interest	Total	Coverage
2012	\$ 5,170,073	8,680,000	485,917	9,165,917	0.56
2011	5,585,731	2,675,000	482,558	3,157,558	1.77
2010	3,803,136	2,570,000	591,812	3,161,812	1.20
2009	4,785,137	2,475,000	690,812	3,165,812	1.51
2008	4,780,752	2,500,000	659,010	3,159,010	1.51
2007	4,199,658	-	-	-	-
2006	3,467,268	-	-	-	-
2005	2,736,191	-	-	-	-
2004	551,705	-	-	-	-
2003	-	-	-	-	-

Source: District records

Notes: Details of the District's outstanding debt can be found in Note 7 in the notes to the financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT STAFFING LEVELS

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Administration:										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principal	10.0	10.0	8.0	8.0	8.0	7.0	6.0	5.0	5.0	5.0
Associate Principal	4.0	4.0	4.0	4.5	2.0	2.0	4.0	3.0	1.0	-
Other Administrators	5.0	5.0	6.0	6.0	6.0	6.0	4.0	5.0	5.0	3.0
Total Administration	20.0	20.0	19.0	19.5	17.0	16.0	15.0	14.0	12.0	9.0
Other Professionals										0.6
Instruction:										
Teacher	438.54	416.93	332.03	384.34	357.44	318.33	288.5	258.6	229.1	207.7
Curriculum Specialist	8.50	9.00	1.00	0.50	2.0	2.0	2.0	2.0	1.0	1.0
Counselor	15.00	21.00	18.50	18.50	17.0	15.0	14.0	13.0	11.0	11.0
Title I	3.50	4.25	3.50	1.50	2.0	2.0	1.5	1.5	1.0	
Media Specialist	10.00	10.00	8.00	8.00	7.0	7.0	6.0	5.0	5.0	5.0
Total Instruction	475.54	461.18	363.03	412.84	385.44	344.33	312.0	280.1	247.1	224.7
Professional, Other:										
Nurse	8.0	8.0	6.0	6.0	9.0	7.0	7.0	6.5	4.8	4.8
Other Professional	13.0	14.0	7.0	14.0	9.5	8.5	6.5	6.1	5.0	4.0
Total Professional, Other	21.0	22.0	13.0	20.0	18.5	15.5	13.5	12.6	9.8	8.8
Support Personnel:										
Office/Clerical	34.0	33.0	31.4	36.0	28.0	26.0	23.0	20.0	16.9	15.8
Crafts/Trades	4.0	4.0	4.0	4.0	4.0	4.0	2.0	1.0	1.0	1.0
Teacher Associates	125.0	119.0	123.0	105.1	96.500	84.601	63.3	61.7	56.9	42.2
Other Support Personnel	97.0	127.0	98.1	104.9	72.300	61.719	57.3	57.1	57.1	39.4
Total Support Personnel	260.0	283.0	256.5	250.0	200.8	176.3	145.7	139.8	131.9	98.4
Totals	776.5	786.2	651.5	702.3	621.7	552.2	486.2	446.4	400.8	341.5

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL ANALYSIS OF FACILITIES, CLASSROOMS AND STAFFING

June 30, 2012
(Unaudited)

Name of School	Dates of Construction	Grades Served
Elementary Schools:		
Waukee	1917, 1957, 1974, 1979, 1987, 1999	PK-5 and Special Education
Brookview	2001, 2002, 2004	K-5 and Special Education
Eason	1994, 2002	K-5 and Special Education
Walnut Hills	2005	PK-5 and Special Education
Maple Grove	2007	PK-5 and Special Education
Waukee	2010	PK-5 and Special Education
Shuler	2010	PK-5 and Special Education
Waukee Middle School	1974, 1977, 1987, 1994, 1997, 1999, 2008	6-7 -8 and Special Education
South Middle School	2010	6-7 -8 and Special Education
Prairieview 9 Building	2004, 2009	9 and Special Education
Waukee High School	1997, 2000, 2001, 2006	10-12 and Special Education
		District Wide
Other facilities - non-student occupancy:		
YMCA	2000, 2001	
Waukee Elementary Annex	1932, 1995	
District Administration	2003, 2007	
District Central Receiving/Transportation Facility	2003	

Source: District records

Building Served	Enrollment Sept. 2011	Certified Staff	Pupil/Teacher Ratio	Number of Classrooms	Teaching Sections
-	-	-	-	-	-
	613	38.7	15.85	32	27
	594	33.7	17.63	31	25
	546	35.0	15.60	37	25
	685	40.3	17.00	38	30
	699	44.8	15.61	38	30
	602	33.0	18.25	38	26
	3,740	225.5	16.59	214	163
	810	57.3	14.13	45	-
	810	55.0	14.73	57	-
	432	29.1	14.83	68	-
	1,145	67.3	17.02	70	-
	6,936	434.2	15.98	454	163

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT AND AREA UNEMPLOYMENT RATES AND PER CAPITA INCOME

Last Ten Fiscal Years
(Unaudited)

Calendar Year	Population (a)	Personal Income (b)	Adjusted	Per Capita Personal Income	Unemployment Rate (c) State of Iowa	Unemployment
			Gross Income per Tax Return (b)			Rate (c) Des Moines Area
2012	37,076	N/A	N/A	N/A	5.4%	6.0%
2011	37,076	\$ 1,155,726,388	64,801	31,172	6.0%	6.7%
2010	37,076	988,903,114	59,376	26,672	6.8%	6.8%
2009	13,173	946,060,501	60,432	71,818	6.6%	6.5%
2008	13,173	881,578,252	60,610	66,923	4.6%	4.1%
2007	13,173	758,654,683	59,516	57,592	3.4%	3.1%
2006	13,173	644,701,944	56,414	48,941	3.6%	2.9%
2005	13,173	555,164,780	55,059	42,144	4.8%	4.0%
2004	13,173	460,361,296	51,971	34,947	4.1%	4.1%
2003	13,173	389,589,951	50,257	29,575	4.2%	3.6%

Notes:

N/A = not available.

(a) U.S. Department of Commerce, Bureau of Census

(b) Iowa Department of Revenue

(c) Iowa Workforce Development

WAUKEE COMMUNITY SCHOOL DISTRICT

SUMMARY OF HISTORICAL RETAIL SALES
(In Millions)

Last Ten Years
(Unaudited)

Year	Dallas County	Percent Increase	Waukee	Percent Increase	West Des Moines	Percent Increase	Des Moines	Percent Increase
2011	\$ 946.45	5.8%	\$ 104.95	10.6%	\$ 635.69	5.6%	\$ 3,195.13	2.8%
2010	894.95	-6.1%	94.85	5.2%	602.13	-8.9%	3,107.94	-5.8%
2009	953.12	15.6%	90.13	-9.7%	660.75	22.5%	3,300.12	-4.9%
2008	824.68	10.4%	99.80	-3.0%	539.37	-59.9%	3,470.69	1.5%
2007	747.18	10.8%	102.89	-15.0%	1,345.69	-27.8%	3,418.12	-2.4%
2006	674.51	97.8%	121.06	16.2%	1,864.22	103.9%	3,502.63	0.3%
2005	340.93	6.6%	104.16	23.0%	914.20	2.6%	3,492.31	-16.7%
2004	319.88	12.2%	84.65	10.4%	891.45	2.3%	4,190.41	10.6%
2003	285.14	7.5%	76.68	8.1%	871.55	2.1%	3,789.65	-5.1%
2002	265.18	20.7%	70.94	41.5%	853.49	-0.6%	3,994.64	-2.7%

Source: Iowa Department of Revenue and Finance

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL EMPLOYERS IN THE DISTRICT

Current year and 9 years ago
(Unaudited)

Presented below is a list of employers located within the Waukee Community School District, the type of business conducted and an approximate number of employees for each.

District Employers	Product/Service	2012		2003	
		Employees	% of Total	Employees	% of Total
Wells Fargo Mortgage & Financial	Financial	4,985	45.9%	-	
Iowa Farm Bureau	Agriculture	1,160	10.7%	-	
Aviva USA	Insurance	1,100	10.1%	-	
Waukee Community Schools	Education	963	8.9%	400	100.0%
Iowa Foundation for Medical Care	Health Care	779	7.2%	-	
Hy-Vee	Food Supplier	759	7.0%	-	
Citi Card Services	Financial	600	5.5%	-	
Guide One	Insurance	523	4.8%	-	
Total		10,869		400	

Larger employers in the area	Product/Service	2012		2003	
		Employees	% of Total	Employees	% of Total
Wells Fargo & Co	Financial Services	11,700	24.1%		
State of Iowa	Government	8,800	18.1%	6,725	16.3%
Iowa Health System	Health Care	7,300	15.0%	5,000	12.1%
Principal Financial Group	Insurance	6,728	13.8%	8,000	19.4%
United State Government	Government	6,000	12.3%	6,100	14.8%
Mercy Hospital Medical Center	Health Care	4,950	10.2%	3,100	7.5%
Des Moines Ind. School District	Education	4,872	10.0%	4,565	11.1%
Nationwide/Allied Insurance	Insurance	4,370	9.0%	-	
Hy-Vee Food Stores, Inc.	Retail Grocery and Drug	2,000	4.1%	2,595	6.3%
Pioneer Hybrid	Agricultural Sales	1,900	3.9%	950	2.3%
Marsh	Insurance	1,700	3.5%	-	
City of Des Moines	Government	-		2,170	5.3%
Blue Cross Blue Shield	Insurance	-		2,050	5.0%
Total		48,620		41,255	

Source: City Chambers of Commerce, Greater Dallas County Development Alliance, Greater Des Moines Partnership,

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT POPULATION

June 30, 2012
(Unaudited)

Census Year	Waukee	Clive	Urbandale	West Des Moines
2010	13,790	15,447	39,463	56,609
2004/2008/2005*	8,132	14,125	35,904	51,744
2000	5,126	12,855	29,072	46,403
1990	2,512	7,462	23,500	31,702
1980	2,227	6,064	17,869	21,894

Source: City Chambers of Commerce

*special Census done in 2004-Waukee, 2008 Urbandale and 2005 West DesMoines

WAUKEE COMMUNITY SCHOOL DISTRICT
 CERTIFIED RESIDENT STUDENT ENROLLMENT BY GRADE

Last Ten Fiscal Years
 (Unaudited)

Grade	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
PK	29	30	30	24	29	26	22	26	24	14
K	672	625	577	595	555	549	522	433	445	321
1	628	603	584	568	577	544	459	467	350	346
2	598	601	547	584	549	480	486	368	377	296
3	603	542	581	570	507	499	390	403	319	262
4	562	581	549	513	510	413	423	347	276	241
5	580	559	516	522	427	446	362	297	260	233
6	560	524	504	431	449	376	310	292	244	256
7	512	517	423	451	367	319	316	260	265	199
8	506	419	432	378	321	324	265	274	224	220
9	413	438	362	316	317	273	296	234	244	189
10	440	355	297	308	283	319	252	263	198	190
11	363	304	285	304	313	262	268	198	202	182
12	292	282	272	321	254	268	219	206	198	163
District Served Enrollment	6758.0	6380.0	5959.0	5885.0	5458.0	5098.0	4590.0	4068.0	3626.0	3112.0
Open Enrollment/Tuition In	191.0	185.1	169.2	175.0	199.0	219	232	225	236	237
Open Enrollment/Tuition Out (includes Home & Alt. School Students)	365.7	311.6	308.1	257.4	229.3	196.6	170	187.1	172.8	148.7
Certified Resident Enrollment	<u>6932.7</u>	6506.5	6097.9	5967.4	5488.3	5075.6	4528.0	4030.1	3562.8	3,023.7

* No Data Available

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

OPERATING COST PER PUPIL

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Total Costs*	Daily Membership	Operating Cost per Pupil
2012	\$ 59,848,076	6,884	\$ 8,694
2011	54,877,739	6,472	8,479
2010	51,246,632	6,021	8,511
2009	41,081,400	5,441	7,550
2008	34,311,684	5,065	6,774
2007	29,592,960	4,617	6,410
2006	25,161,933	4,058	6,201
2005	21,123,109	3,685	5,732
2004	18,337,958	3,138	5,844
2003	16,349,386	2,801	5,837

*Includes only General Fund expenditures.

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT
IOWA SCHOOL CASH ANTICIPATION PROGRAM (ISCAP)

Last Ten Fiscal Years
(Unaudited)

Year ended June 30,	Principal of Certificates Issued
2012	\$ -
2011	-
2010	-
2009	-
2008	-
2007	-
2006	-
2005	-
2004	-
2003	2,275,000

Source: District records

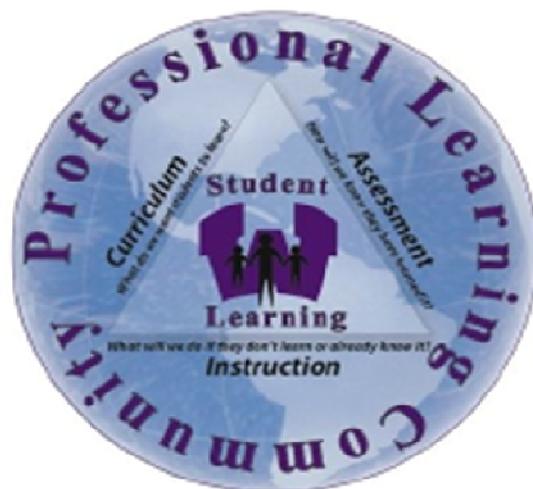
**Waukee Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2012**

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 12	\$ 83,107
National School Lunch Program	10.555	FY 12	751,651 *
			834,758
Team Nutrition Grant	10.754	FY 12	1,455
U.S. Department of Education:			
Iowa Department of Education:			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	FY 12	153,894
ARRA - Title I Grants to Local Education Agencies - Recovery Act	84.389	FY 12	20,302
			174,196
Advance Placement Program	84.330	FY 12	308
Improving Teacher Quality State Grants	84.367	FY 12	36,432
Grants for State Assessments	84.369	FY 12	42,380
ARRA - Education Jobs Fund	84.410	FY 12	17,769
Dallas Center-Grimes Community School District:			
Vocational Education - Basic Grants to States	84.048	FY 12	19,924
Heartland Area Education Agency:			
Special Education - Grants to States	84.027	FY 12	340,991
Title III - English Language Acquisition State Grants	84.365	FY 12	7,652
Total			\$ 1,475,865

* Includes \$185,715 of non-cash awards.

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Waukee Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial

See accompanying independent auditor's report.





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Van Maanen, Sietstra & Meyer, PC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Education of Waukee Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Waukee Community School District, Waukee, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements listed in the table of contents and have issued our report thereon dated November 26, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Waukee Community School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Waukee Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Waukee Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Waukee Community School District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waukee Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2012 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Waukeew Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Waukeew Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Waukeew Community School District and other parties to whom Waukeew Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Waukeew Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Van Maanen, Sietstra & Meyer, PC

Van Maanen, Sietstra & Meyer, PC
Certified Public Accountants

November 26, 2012



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Van Maanen, Sietstra & Meyer, PC

CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major
Program and on Internal Control over Compliance in Accordance
with OMB Circular A-133**

To the Board of Education of Waukee Community School District:

Compliance

We have audited Waukee Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Waukee Community School District's major federal programs for the year ended June 30, 2012. Waukee Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Waukee Community School District's management. Our responsibility is to express an opinion on Waukee Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Waukee Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Waukee Community School District's compliance with those requirements.

In our opinion, Waukee Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Waukee Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Waukee Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Waukee Community School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Waukee Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the District's responses, we did not audit Waukee Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Waukee Community School District and other parties to whom Waukee Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Van Maanen, Sietstra & Meyer, PC

Van Maanen, Sietstra & Meyer, PC
Certified Public Accountants

November 26, 2012

**Waukee Community School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2012**

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 84.027 – Special Education, Grants to States
 - Clustered programs:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Waukee Community School District qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

**Waukee Community School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2012**

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-12 Certified Budget - Expenditures for the year ended June 30, 2012, exceeded the amended certified budget amounts in the instruction, non-instructional programs and other expenditures functions.
- Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.
- Response – Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.
- Conclusion – Response accepted.
- IV-B-12 Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-12 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-12 Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-12 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-12 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-12 Certified Enrollment – A variance in the basic enrollment data certified to the Department of Education was noted.
- Recommendation – The certified enrollment data should be corrected for students who exit the District.
- Response – We will correct the certified enrollment in the future for students exiting the system.
- Conclusion – Response accepted.
- IV-H-12 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-12 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-J-12 Certified Annual Report - The Certified Annual Report was filed timely to the Iowa Department of Education.
- IV-K-12 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

**Waukee Community School District
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2012**

IV-L-12 Statewide Sales, Services and Use Tax – No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2012, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 7,067,260
Revenues/transfers in:		
Sales tax revenues	\$ 5,170,073	
Other local revenues	8,952	
Issuance of revenue bonds	22,335,000	
Other	1,065,887	28,579,912
		<u>35,647,172</u>
Expenditures/transfers out		
School infrastructure construction	770,284	
Equipment	26,242	
Other	950,457	
Transfers to other funds:		
Debt service funds	7,588,756	9,335,739
		<u>9,335,739</u>
Ending balance		<u><u>\$ 26,311,433</u></u>

For the year ended June 30, 2012, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

